

[Resources](#)[Management & Leadership](#)

Business Operations

Business Operations

Activities that businesses engage in on a daily basis to increase the value of the enterprise and earn a profit

Written by
[CFI Team](#)

Read Time
4 minutes

Over 2 million + professionals use CFI to learn accounting, financial analysis, modeling and more. Unlock the essentials of corporate finance with our free resources and get an exclusive sneak peek at the first module of each course.

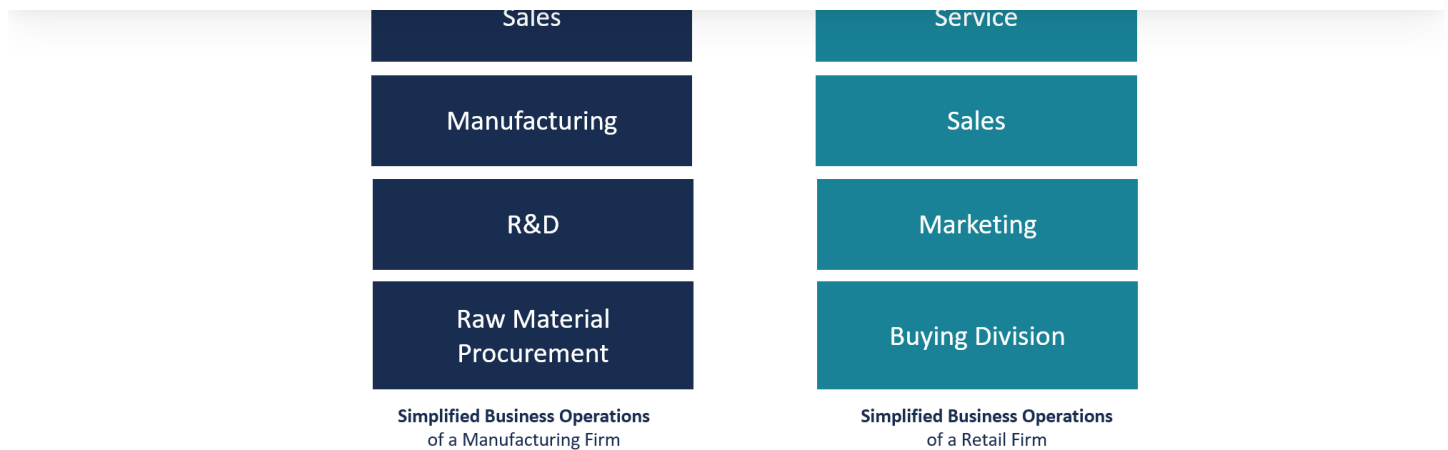
Start Free

What are Business Operations?

Business operations refer to activities that businesses engage in on a daily basis to increase the value of the enterprise and earn a profit. The activities can be optimized to generate sufficient [revenues](#) to cover expenses and earn a profit for the owners of the business. Employees help accomplish the business' goals by performing certain functions such as marketing, [accounting](#), manufacturing, etc.



Help



Business operations evolve as the business grows, and the management should plan to accommodate the changes to prevent glitches occurring in the system. For example, as a [small business](#) grows, it must be ready to handle arising challenges such as legal, marketing, and capacity issues. If the business does not evolve with the changes in business operations, glitches such as errors and omissions will emerge.

Business Operations in Different Industries

The operations of a business vary across industries, and they are structured according to the requirements of the specific industries. Mastering the operations of a specific industry can help the business achieve success. Here is an analysis of business operations in different industries:

1. Retail industry

One of the main goals of a retail business is to stock products that customers are looking for and at a price that the customers are willing to pay. This means that the business must maintain an efficient inventory system so that it knows what is in stock at any given time, while reducing instances of dead stock. Deadstock refers to products that the company has in stock but that are not in high demand.

In order to maximize revenues, the business should stock [fast-moving items](#) that customers are willing and happy to pay for. The business should also negotiate friendly credit terms with suppliers so that they can get the required products on credit to prevent stock-outs.

front-end and back-end side of the business. The management must ensure that the two divisions are running efficiently to prevent laxity on one side, which can hinder the achievement of the company's objectives. On the front end, the business should focus on streamlining the service delivery to customers to increase their satisfaction. It should also formulate a means of receiving feedback and complaints from customers to know their expectations and how to improve service delivery.

On the back end, the management should employ the right people in each department. For example, the company should appoint trained and experienced staff to prepare forecasts for client projects to prevent the actual costs from exceeding client budgets.

3. Manufacturing industry

Manufacturing companies are involved in turning raw materials into physical products, which are then sold to consumers. One of the things that a manufacturing company can do to achieve efficiency is to source quality raw materials from credible suppliers. For perishable and edible products, the business should look into how raw materials are stored, processed, and shipped to consumers.

The company can also eliminate bottlenecks that increase processing times to save time during manufacturing and shipping. If the company is struggling with shipping logistics, it can outsource shipping and concentrate on other areas of the business that it excels in.

4. Technology industry

The key to streamlining operations of a technology company is hiring the right staff and training them on how to execute the tasks they are assigned. This means that the company should put a hiring criterion in place that helps them hire the best candidates for the job. The company should also come up with an internal training and mentorship program where senior staff works hand-in-hand with junior staff to help them perfect their skills.

external processes to spot any glitches and address these issues quickly.

How to Improve Business Operations

The following are some suggestions that businesses can use to improve business operations:

1. Measure performance

A business should come up with realistic and actionable means of measuring its business milestones. The process of measuring performance starts from the goal-setting stage. The company's management should set achievable objectives with clear targets. For example, the goal of achieving a 30% increase in revenues is more



Get Certified, Get

Ahead & Save 30%

Purchase Today & Save Up to \$250!

1

Days

2

Hours

1

2

Minutes

3

2

Seconds

6

Save
Now



2. Keep up with the latest trends

A business should stay up to date with what happens in the industry to get ideas on how to get better than the competition. Trends can take the form of new innovation, changing state and federal laws, or changes in the local economy. Knowing the latest trends and changes in operations can help the company find new systems that improve performance and cut costs, or that help the company stay compliant with new regulations.

3. Streamline processes

Another way of improving business operations is to evolve with changes in the industry to increase productivity. The management should continually be on the lookout for new tools, software, and equipment that improve and ease critical processes.

For example, where the business uses manual methods to manage inventory, the management can acquire an [inventory management software](#) program that automates most of the processes and saves both time and costs.

learning and advancing your career, the following CFI resources will be helpful:

[Current Good Manufacturing Processes \(CGMP\)](#)

[Logistics](#)

[Operations Management](#)

[Supply Chain](#)

[See all management & strategy resources](#)

Financial Analyst Certification

The image is a promotional banner for the Financial Modeling and Valuation Analyst (FMVA) Program. It features a dark blue background on the left and a light gray background on the right. The text on the left is white, and there is an orange button at the bottom left.

Financial Modeling and Valuation Analyst (FMVA) Program

The FMVA program is designed to provide you with in-demand industry knowledge, hands-on practice, and confidence that will help you stand out from competition and become a world-class financial analyst.

[Enroll Now](#)

Become a certified [**Financial Modeling and Valuation Analyst \(FMVA\)®**](#) by completing CFI's online financial modeling classes!

Accounting Crash Courses

Learn accounting fundamentals and how to read financial statements with CFI's [online accounting classes](#).

These courses will give you the confidence to perform world-class financial analyst work. Start now!

Use historic figures or trends to forecast future margins

Revenue	100%
Cost of goods sold	(80%)
Explore Accounting Courses	
SG&A	(5%)
Operating margins	15%

Boost your confidence and master accounting skills effortlessly with CFI's expert-led courses! Choose CFI for unparalleled industry expertise and hands-on learning that prepares you for real-world success.



Get In-Demand Finance Certifications

[Learn More](#)

Share this article

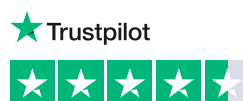


Certifications

CFI For Teams

Support

Community



TrustScore **4.5**
723 reviews



[Privacy Policy](#) | [Terms of Use](#) | [Terms of Service](#) | [Legal](#)

© 2015 to 2025 CFI Education Inc.