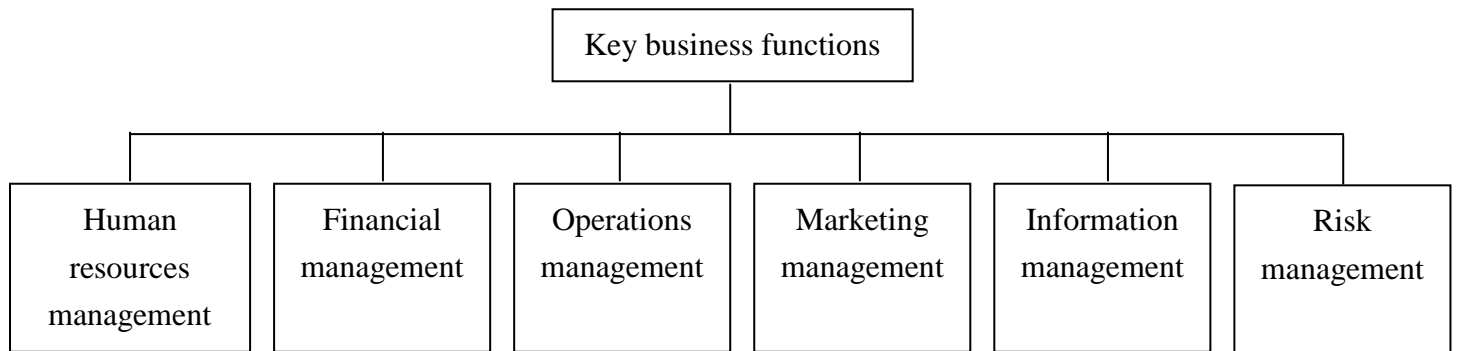


Chapter 6 Key Business Functions

1. Key Business Functions



1.1 Human Resources Management

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| <p>What are human resources and human resources management?</p> | <ul style="list-style-type: none"> • Human resources refer to the people who put their effort to achieve business goals. • Human resources management is a business function dealing with the people employed within a business. |
| <p>What is the importance of HR management?</p> | <ul style="list-style-type: none"> • Attract sufficient (1)<u>manpower</u> • Keep quality employees • Motivate employees and raise their (2)<u>morale</u> |
| <p>What are the functions of human resources management?</p> | <ol style="list-style-type: none"> 1. (3)<u>Manpower planning:</u> Decide the types and quantity of human resources required based on the needs of the business 2. (4)<u>Recruitment and selection:</u> Attract a pool of potential candidates for open positions and choose suitable candidates to fill the positions 3. Performance management: Write appraisal reports to monitor and improve employees' performance 4. Remuneration and benefits management: Offer remuneration (such as salary and commission) and benefits to (5)<u>reward</u> and motivate employees 5. Training and development: Provide training opportunities to improve employees' ability and nurture talent 6. Maintaining (6)<u>employee relations:</u> Listen to employee's opinions and resolve labour disputes to build a better business-employee relationship |

1.2 Financial Management

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| <p>What is financial management?</p> | <p>The business function that enables a business to manage its (7)<u>funds</u> effectively</p> |
| <p>What is the importance of financial management?</p> | <ul style="list-style-type: none"> • Maintain sufficient funds for operations • Monitor costs and (8)<u>expenditure</u> to improve profitability • Plan for the use of funds • Make appropriate (9)<u>investment</u> decisions |
| <p>What are the functions of financial management?</p> | <ol style="list-style-type: none"> 1. (10)<u>Working capital</u> management: Maintain sufficient funds to satisfy both short-term debts and upcoming operational expenses 2. (11)<u>Capital</u> budgeting: Determine whether to pursue long-term investments 3. Financial planning: Prepare a (12)<u>budget</u> to project future revenue and allocate funds 4. Financial (13)<u>control</u>: Check whether the actual financial performance matches with the budget to ensure funds are used effectively |

1.3 Operations Management

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| <p>What is operations management?</p> | <p>A continuous process of maintaining a highly effective and efficient (14)<u>operations system</u> in a business</p> |
| <p>What processes are involved in an operations system?</p> | <ol style="list-style-type: none"> 1. Input 2. Production 3. Output |
| <p>What is the importance of operations management?</p> | <ul style="list-style-type: none"> • Provide high quality goods or services • Maintain an optimum (15)<u>inventory</u> level to minimise costs • Meet production and delivery schedules • Utilise resources better |
| <p>What are the functions of operations management?</p> | <ol style="list-style-type: none"> 1. Building up an effective operations system 2. Inventory control 3. (16)<u>Quality</u> control |
| <p>What are the steps involved in building an effective operations system?</p> | <p>Step 1: Forecasting customers' (17)<u>demand</u></p> <p>Step 2: Planning for (18)<u>production capacity</u></p> <p>Step 3: Designing layout</p> <p>Step 4: Developing production schedule</p> |

1.4 Marketing Management

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| What is marketing management? | The process of identifying, anticipating and satisfying customers' needs profitably |
| What is the importance of marketing management? | <ul style="list-style-type: none"> • Understand and cater for customers' needs • Build up a good (19)<u>relationship</u> with customers • Keep alert of market changes and respond promptly • Develop (20)<u>marketing strategies</u> to adapt to market changes |
| What are the functions of marketing management? | <ol style="list-style-type: none"> 1. Conducting market (21)<u>analysis</u> 2. Setting marketing objectives 3. Formulating marketing strategies 4. Developing (22)<u>marketing mix</u> 5. Carrying out control and review |

1.5 Information Management

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| What is information management? | The provision of the right information to the right person at the right place and at the right time for making a business decision |
| What is the importance of information management? | <ul style="list-style-type: none"> • Build an (23)<u>information system</u> • Provide managers with reliable information timely • Facilitate (24)<u>distribution</u> and sharing of information within a business |
| What are the functions of information management? | <ol style="list-style-type: none"> 1. Collection and storage of information 2. (25)<u>Organisation</u> of information 3. Processing and analysis of information 4. Distribution of information 5. (26)<u>Retrieval</u> of information |

1.6 Risk Management

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| <p>What is risk management?</p> | <p>The process of applying a systematic method to the identification, assessment, control and monitoring of risks</p> |
| <p>What is the importance of risk management?</p> | <ul style="list-style-type: none"> • Identify risks • Minimise the (27)loss when risks occur • Develop risk-handling measures • Maintain and enhance business image |
| <p>What are the functions of risk management?</p> | <ul style="list-style-type: none"> • Identifying and assessing risks • Developing (28)risk-handling measures • Controlling risks at acceptable level • Developing (29)risk-awareness culture |
| <p>How can businesses tackle risks?</p> | <ol style="list-style-type: none"> 1. Risk avoidance 2. Risk (30)assumption 3. Risk reduction 4. Risk (31)transfer |

2. Interrelationship of Key Business Functions

