**What departments are needed to run a business?**

All businesses, no matter what the size, need some sort of organizational structure to operate properly. Businesses without a set organizational structure have problems implementing company policies and operating at efficient production levels. Whether a company is selling or manufacturing, certain departments are key to basic operations.

## Administration

The chief executive officer, also called the company president, and any other managers involved in making decisions for the company are a part of the administration department. Businesses need managers to oversee employees and implement company directives created by the president. Managers also typically interview and hire new employees for the company.

## Accounting

The accounting department handles the bookkeeping for a business during the fiscal year. All revenue, expenses and company equity are tracked by the accounting department and reported to the Internal Revenue Service at the end of the company's fiscal year. The accounting department also tracks accounts payable so that all clients are paid for services or products. Accountants typically prepare income statements, cash flow statements, general ledgers and balance sheets for the company.

## Marketing and Advertising

The marketing and advertising department for a business is responsible for developing product packaging, pricing, and creative materials for informing potential customers of the company's offerings. Additionally, the department may conduct research to discover the needs of its customers. For example, a toy company's marketing and advertising department may design a pink box for a new doll, set the price at $14 -- based on price data research -- and advertise the doll in commercials set to air during Saturday morning cartoons.

## Production

The production department orders inventory for production when needed, fulfills production orders specified by management and coordinates with the marketing and advertising department to make changes to products. If your company builds electric guitars, for example, you need a production department and staff that focuses solely on producing your guitars.

## Sales

Sales departments are needed in companies that sell retail or wholesale items to other businesses or consumers. Sales departments coordinate their sales force to build customer relationships, meet particular revenue goals and pitch new products. The sales force may use a "push" or a "pull" method for attracting customers. The pull method typically involves placing a salesman in a physical store to sell products. Sales departments using the push method usually instruct their sales force to call, email or visit prospective customers.

**Human Resources**

The forward thinking human resource department is devoted to providing effective policies, procedures, and people-friendly [guidelines and support](http://humanresources.about.com/od/glossaryh/f/hr_management.htm) within companies. Additionally, the human resource function serves to make sure that the company [mission](http://humanresources.about.com/od/glossarym/g/Mission.htm), [vision](http://humanresources.about.com/od/glossaryv/g/Vision.htm), [values](http://humanresources.about.com/od/glossaryc/g/Core-Values.htm) or [guiding principles](http://humanresources.about.com/od/glossaryc/g/Core-Values.htm), the company metrics, and the factors that keep the company guided toward success are optimized.

The [most common Human Resource jobs](http://humanresources.about.com/od/jobdescriptions/Job_Descriptions_Free_Samples_Examples.htm) that are grouped in the Human Resource Department are the Human Resources Director, Human Resources Manager, Human Resources Generalist, and Human Resources Assistant. Additionally, some organizations have a [Vice President](http://humanresources.about.com/od/glossaryv/g/vice_president_title.htm) of Human Resources.

Additionally, HR departments in larger organizations have employees who are organized around providing a specific component of Human Resource services including compensation, training, organization development, and safety. They have titles such as Training Manager, Organization Development Consultant, and Safety Coordinator.

Source: Human Resources.About.com