

Theme 1: Commercial Operations

1.1.4 Division of labor

Specialization

Specialization implies the production of a limited range of goods by individuals, firms, regions, or countries

Specialization by individuals

Individuals become economically specialized when he/she focuses on a narrow range of tasks

Example:

- Teachers who are specialized in teaching one subject

Specialization by firms

With this, **firms** get specialized for a narrow range of products and they become experts in their field that may increase the efficiency of the firms and they may also employ specialized workers which may increase their profit.

- Emirates- Air travel
- Starbucks- Coffee and Beverages
- KFC- fried chicken and chicken hamburgers.
- Walmart- Supermarket chain
- Coca cola-soft drinks

Specialization by region

Certain geographical **regions** in some countries are specialized in producing certain products