

Table 1.2 Functions of Various Departments of a Manufacturing Organization

Sections	Functions
Production	Production planning and control Maintenance management Bill of materials processing
Marketing	Advertising Customer records/follow up Sales analysis
Finance	Billing, payments Payroll Costing Share accounting Budget and finance planning Tax planning Resource mobilization
Human Resource	Recruitment Records Training Deployment of labour Assessment/promotions
Stores (Materials Management)	Stock ledger keeping Issues/reorder Receipts Enquiry processing
Maintenance	Physical facilities Communication facilities Electricity and water supply
Research and Development	Production improvement Product development Product testing Product design

3. MATERIAL MANAGEMENT

Materials Management is a function, which aims for integrated approach towards the management of materials in an industrial undertaking. Its main objective is cost reduction and efficient handling of materials at all stages and in all sections of the undertaking. Its function includes several important aspects connected with material such as purchasing, storage, inventory control, Material handling, standardization etc.

3.1 Scope of material management

Material management is defined as the function responsible for the coordination of planning, sourcing, purchasing, moving, storing and controlling materials in an optimum manner so as to provide a pre-decided service to the customer at a minimum cost.

According to the first method if we increase the resources such as labor, machines, materials etc, the productivity may improve but there are limitations to increase the resources as it needs more capital investment. Secondly, after increasing the resources above certain limit, it is possible that the production may rise but in small proportion as compared to increase in input and hence the production may decrease. The second method requires little capital investment to improve the productivity.

Productivity of the enterprise will be increased when:

- a. The quality and quantity of output is increased by better management, by using best possible method study, while the input remains the same.
- b. The input is reduced by avoiding waste in all forms.
- c. For better utilization of existing resources, a small increase is made in the inputs resulting in a large increase in output.

Attempts for improving the productivity of an industrial enterprise will have to be directed towards these three areas.

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