

## 8.18: Divisions of a Retail Business

### Learning Objectives

- Name some key divisions of a retail business and the people who head them

Larger stores, such as national chains, will have multiple sectors where daily operations are handled. Depending on the retail organization, the exact terminology for each division and title held by each individual employee may vary but are typically similar in nature from store to store. “Titles demonstrate the importance of the business functions, either internally or externally.”<sup>[1]</sup> Executive, finance, operations and sales are integral parts of a large retail organizational structure. The executive level deals with preparation and planning. Finance would handle the bookkeeping and accounting aspects of the retail store. Sales, also called store operations, would be responsible for merchandising or customer service and regular procedures implemented within the store itself. Operations, also sometimes called regional operations consist of warehousing and transporting the merchandise.

### Executive

As established in earlier this module, the CEO (or president) of a large retail company is the primary decision maker for the company. As with larger businesses the CEO reports to the shareholders and is the company’s principal decision maker. “Quick thinking, an ability to react swiftly to changing circumstances, knowing what to do immediately when faced with a challenging situation. What company can afford to have a CEO who does not fit that description?”<sup>[2]</sup> The executive division of a retail store will also consist of management and in the largest of companies’ corporate recruiters who are responsible for recruiting the top-level executives. These roles within a retail organization which handle planning and hiring are sometimes termed Central Operations.<sup>[3]</sup>

### Finance

In many national chain and diversified retail markets the organizational structure may consist of a finance department. This department would house bookkeepers, accountants and sometimes tax attorneys who keep records of the financial dealings of a company. Accountants would record profit margins and losses as well as inventory costs. Tax attorneys would assist in financial planning, navigate complex tax codes and laws, handle disputes before the Internal Revenue Service (IRS) and oversee tax planning to legally minimize tax burdens.<sup>[4]</sup> Bookkeepers would also do a variety of tasks including print checks and keep track of employees’ hours in order to pay them their wages.

### Operations and Sales

Operations consist of warehouse and distribution. A Warehouse Operations Manager might be one of the titles you would find in this sector of a retail organization. Not only do these types of managers oversee the housing and transport of merchandise but they also make decisions with regard to planning such as which software best functions for their warehouse operations.<sup>[5]</sup> Sales is another sector which deals with the day to day operations and functions of a retail store. In larger retail stores a Corporate Sales Manager (CSM) heads this division of a retail organization. CSM’s oversee the sales force which works within a retail business. These types of managers would spend time on the sales floor as well as behind the scenes in the office of a store.

### Practice Questions

<https://assessments.lumenlearning.co...sessments/9219>

1. Lee, H., & Scott, C. J. (2015). Marketing or sales: The executive decision. *The Journal of Business Strategy*, 36(5), 43–49. ↩
2. Meeks, M. D. (2015). STRATEGIC MANAGEMENT AND THE DISPARATE DUTIES OF THE CEO. *Academy of Strategic Management Journal*, 14(2), 93–116. ↩
3. <https://study.com/academy/lesson/retail-organizational-structure-management-personnel-training.html> ↩
4. Greenaway, T. D. (2015). Common threads and trends in tax. *The Tax Lawyer*, 68(2), 311–320. ↩
5. Faber, N., de Koster, M. B. M., & Smidts, A. (2013). Organizing warehouse management. *International Journal of Operations & Production Management*, 33(9), 1230–1256. doi:10.1108/IJOPM-12-2011-0471 ↩

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