



# **Company Types and Structures**

Nandy Intan Kurnia

nandy\_intankurnia@uny.ac.id

# Types of company

Here is a simplified list of the different types of legal structures for a business.

- Sole trader(BrE)/Sole proprietor(AmE). This is a one-person business. The person may describe themselves as 'self-employed' (eg. the owner of a small shop), or as a 'freelancer' if they are a professional who works for different clients (eg. a photographer).

- Private company. The shares of the company are privately owned, usually by a small number of people. These shareholders typically include the founder of the company, possibly some close family members, and perhaps a few business associates who provided money for the company.

- Public company(BrE)/Corporation(AmE).  
These are the large companies that are listed on stock exchanges like Germany's DAX, France's CAC or the UK's FTSE. They are called public because anyone can buy their shares.  
Note: do not confuse a state-owned enterprise with a public company.

# Departments

- Production might also include Purchasing and Quality Assurance (QA)
- Operations refers to all the internal processes of a company and might include, for example, Logistics
- Sales might also include Business Development

- Customer Services might include Technical Support
- Marketing might include Market Research
- Communications refers to all promotional activities including a strong focus on Public Relations (PR)

- Finance has many subdivisions, such As Financial Control, Treasury, Accounts and Payroll (= managing salary payments).
- Human Resources (HR).
- Information Technology (IT).
- Research and Development (R&D).
- Legal.

# Individuals within the structure

- The Chief Executive Officer (CEO) runs the company.
- The level below CEO is Chief ... Officer, for example Chief Financial Officer (CFO).
- The next level down might be country level for a large international organization, or departmental level. A job title here might be Sales Director or Head of Sales or VP (= Vice President) Sales.



- Below those levels are people with job titles like Manager, Officer, Coordinator, etc. The words Assistant or Deputy may also occur at any level.



# Company culture

- The structure of a company is often closely connected to its culture. In a small company it's easier to be dynamic and innovative, whereas in a large company things are often slow-moving and bureaucratic.
- Similarly, if the company is hierarchical (many levels), then people at the bottom aren't allowed to take initiatives without permission from their seniors; decision-making and communication are top-down.

- If the structure is flat (few levels), then the flow of information can be more bottom-up.
- In all cases you hope that the company culture is honest, open and transparent (= not trying to keep things secret).

<http://www.businessenglishonline.net/wp-content/uploads/2010/10/Units-1-2.pdf>  
(Retrieved on March 04, 2014)