

Line of Business, Location and Size of The Company

The line of business, location and size of a company are the factors that we will detail below, giving a brief but complete description of each of these.

Line of business

There are several ways to classify companies. One of these ways is by their activity or line of business, which consists of separating the different sectors to which they belong, according to whether they are industrial, commercial or service companies.

- Industrial companies use raw materials to transform them into finished products. In turn, industrial companies are divided into: extractive, transformation or manufacturing.

Extractives are those whose function is the extraction and exploitation of natural resources.

The transformation or manufacturing are those that make use of raw materials to transform them into finished products.

- Commercial companies are those that function as an intermediary between the producer and the final customer, this type of companies are classified into wholesalers, retailers and commission agents.

Wholesalers sell large quantities to retailers that the latter sell to an end customer. Retailers are the ones who sell small quantities of product to end customers. Commission agents sell products that manufacturers give them, so they get a commission.

- Service companies are those that offer a service to customers. Some examples of these companies are: banks, transportation, education, health, insurance, public and private services, financial advice, among many others.

Location

Regardless of what the company is dedicated to, or the size of it, it is important that it is established in a good location, for this series of factors have to be considered that come to tell us if the location is good or not. To determine which will be the ideal place to locate the company it is necessary to know if it is an industrial, service or commercial company. If it is the case of looking for the best location for a company of the industrial type, it is best to locate it away from the city center, instead one of services can be established without

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problem in a busy place and a commercial one the most advisable thing will be to be close to its customers, depending on the type of market to which it focuses. It is regularly seen that small business entrepreneurs mainly do not give it the necessary importance to make an objective analysis in terms of considering the factors that will determine the best location for their company. The location comes to be decisive for the success or employees.

Size of the Company

The classification of companies according to their size varies depending on the country in question, this classification by size is by number of employees. The information shown below is from Mexico:

Micro business	1 to 10 employees
Small	11 to 50 employees
Medium	51 to 250 employees
Large	251 or more...

Reference:

Luna, a. (2014) administrative process.

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