

Types of Business Centers

**&
Their
Roles**



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Cost Center



A cost center is a part of a business that only spends money and does not earn revenue.

Ex: The HR department or maintenance team. The main goal is to control and reduce costs.

Profit Center



A profit center is a department that earns money and also spends money. It is responsible for making a profit.

Ex: Include product divisions or store branches. The goal is to increase profits by managing both sales and costs.

Responsibility Center



A responsibility center is any part of a company where a manager is responsible for performance. It includes cost centers, profit centers, and investment centers. The goal is to track performance and improve decision-making.

Revenue Center



A revenue center is a part of a business that only earns money but does not control costs.

Ex: The sales department.

The main focus is to increase sales and revenue.

Investment Center



An investment center is responsible for earning money, controlling costs, and making investments. It is judged by how well it uses company assets.

Ex: include large company divisions or subsidiaries. The goal is to maximize profits and returns on investment.



**Optimizing
business
performance
with structured
financial and
operational
responsibility.**