

Commercial Awareness

There is no one definition of 'commercial awareness'. Many graduate recruiters say that student applicants don't show enough (if any) commercial awareness. This phrase often causes confusion as it means different things to different people. However, in essence, it means understanding the business you are applying to, your role within it and the environment in which it operates. You must also have an understanding of current affairs and how this might affect the organisation and other organisations in that sector, too.

Think about the organisation you work for, or would like to work for. What is it trying to do? What are the markets and sectors it operates in? How does it fit within that industry? What is its market position? Who are its competitors and how do they fit in? What differentiates the organisation from competitors? Who are its clients? Who are the suppliers? How are current affairs affecting the organisation and its clients? How are these things affecting competitors?

Commercial awareness means appreciating that all organisations are themselves commercial enterprises, in business to make money. Even charities need to be sustainable. You need to understand how they do that and what factors might affect it in order to be fully commercially aware. Political, economic, social, technological, legal and environmental factors can all influence the business operation of an organisation, its clients and competitors. Understanding the basics of business means that you can appreciate how the organisation aims to meet the needs of stakeholders (e.g. clients, suppliers, employees, creditors, managers, owners, shareholders, government, local community even the environment) by efficiently using often costly resources to produce effective goods or services that make a profit or generate a surplus. Understanding profit margins, how to obtain and use resources efficiently and the need to promote the organisation professionally are all key to showing your commercial awareness. In the workplace, you need to apply professional judgement, based on your commercial awareness. Any decisions you make or any forward planning that you do in the workplace should be based on you being aware of what is happening in the sector and wider environment.

You also need to know how your role in the organisation (or role that you are applying for) fits in. E.g.:

- How does your role fit within the structure of the organisation?
- How will your knowledge contribute to what the organisation does and how it operates? In what way will you help it make a profit?
- How can you add value to the organisation and its clients?

This means understanding your client's business and how it is affected by what is happening in the world. You need to have an understanding of the needs of the client, how they make money, where they want their business to be in future and, hence, what they want from you. This should make it easier for you to engage with the client, but you'll still need to demonstrate other important things like communication and interpersonal skills to build long-term working relationships. You will also need to deliver on your promises to clients, so potential employers will also be looking for new recruits who demonstrate organisational skills, time management and commitment to delivery as well as the ability to manage client expectations.

Even if you are thinking about a career in publicly-funded work, it is equally important to show an understanding of how such organisations work. You still need to know what sort of influence current affairs might have on the organisation and have an understanding of the issues faced by them.

Developing commercial awareness can seem like a huge task but, as a student or recent graduate, nobody expects you to be an expert. What graduate recruiters are looking for is a combination of basic knowledge, insightful interest and enthusiasm for commercial matters, and, most importantly, the ability and willingness to 'think business'. This doesn't mean reading the Financial Times the night before an interview and quoting business jargon - you need to be able to offer your interpretation about what effect current affairs might have on the organisation you want to work for and/or its clients.

Commercial awareness needs to be built-up over months and over years not overnight!



Ways to develop commercial awareness

- Read the trade press or the web equivalent relating to the employment sector you wish to work in. What are the latest developments? What do the experts think will be the consequences? What is your opinion? Which organisations are hitting the headlines? Why? What is your take on this? The University Library's *Nexis database* allows current students free access to the content of many trade magazines: www.shef.ac.uk/library/cdfiles/nexis.
- Check the websites of the organisations you'd like to work for. Look at their recent press releases for an understanding of current issues on which the organisation is commenting publicly. To find information such as an organisation's annual report on the web, enter the organisation's name plus 'investor relations' into the search engine – this should take you to the corporate section of their website.
- *Business Source Premier*, accessible via the University Library (www.shef.ac.uk/library/cdfiles/bsp), allows you to search under 'Company Profiles' to find articles about a particular company in academic and trade journals as well as accessioning its Market Line Report (check the date of this report so you don't quote out-of-date facts to recruiters). You can also do a broader 'New Search' by employment sector to access the latest news (tip: refine your results to 'Full text' and limit the publication date timeframe to the last couple of years).
- *Mintel Market Research Reports* are useful to gain insight into current issues, market size and forecast, customers, companies and competitors in any given employment sector: www.shef.ac.uk/library/cdfiles/mintel
- Read good quality newspapers (e.g. The Times, Guardian, Telegraph, Independent) to keep up to date with current affairs as well as stories relating to the sort of organisation you'd like to work for. The University Library's *Nexis database* gives current students access to the content of many international, national and local newspapers: www.shef.ac.uk/library/cdfiles/nexis.
- Look out for TV or radio documentaries (BBC Radio 4 is good) relating to the field you'd like to work in as well as those covering the latest news / hot topics. These often offer a good summary of the situation. You can often get media content no longer on BBC iPlayer, etc. from Box of Broadcasts www.sheffield.ac.uk/library/cdfiles/bob
- Keep up to date with current news via websites such as the BBC's Business pages: www.bbc.co.uk/news/business. Think about the impact this might have on the organisation and its stakeholders.
- If you fancy a career in business or finance, read the Financial Times (www.ft.com/home/uk), business pages of the broadsheets and business sections of the Sunday papers to gain an understanding of what is happening in the business world. Maybe even try The Economist (www.economist.com). If you need help understanding some of the terminology, try the Guardian's glossary (www.theguardian.com/business/glossary-business-terms-a-z-jargon) or Business Balls (www.businessballs.com/business-dictionary.htm#M-definitions).
- Get involved with university activities that relate to business, such as becoming a treasurer of a society (www.shef.ac.uk/experience) or taking part in business games (<http://enterprise.shef.ac.uk>)
- Talk to your family and friends to gain an understanding of what they and the organisations they work for do and the issues they face.
- If you haven't worked in a commercial organisation then get some experience (either during vacations or part-time during the term) and carefully observe what's going on, bearing in mind the factors mentioned in this handout. You could even do this for your student job in a shop, restaurant or anywhere else, or for any charities you volunteer with.
- Work on developing your views and opinions of current affairs and how you might express these logically to others. Remember, no one expects you to be the expert, just to be able to work things out for yourself and have a view of the world.
- Try doing a twitter hashtag search for #commercialawareness to find good, up-to-the-minute material.