

Commercial Awareness

"A lack of Commercial Awareness is the single most common failing in graduates applying for employment"

CIHE 'What Do Employers Think and Want?' Feb 08

SO WHY IS COMMERCIAL AWARENESS IMPORTANT?

Every organisation requires commercial awareness, not just large corporations. Whilst the focus may be different every organisation needs awareness of the market within which it operates if it is to survive.

When looking for potential recruits, employers rarely require business qualifications but the majority will want graduates to demonstrate some understanding and an interest in how their businesses work.

Employers will therefore assess whether you have commercial awareness at all stages of the application process.

You probably do already have some commercial awareness, particularly if you have work experience or a part-time job, but not know it by this term.

In this hand-out we will help you to understand what Commercial Awareness is, how you can develop it and then how you can effectively demonstrate it to an employer.

WHAT IS COMMERCIAL AWARENESS?

Commercial Awareness is an understanding of how organisations work and what makes them successful. You need to think about the following factors:

- What is the organisation there to do? (e.g. make a profit, provide a service)
- How is the business organised? Who are the key stakeholders?
- Who are its customers? What are its services? How well does it market itself?
- What are its costs or overheads?
- Who are its suppliers?
- Who are its competitors?
- Is the organisation innovative and responsive to change?
- Where are the risks to its business?
- What legislation or guidelines does the business adhere to?
- Which issues effects the business: staff morale? The stock market? New technology? New innovations? Location of office? Movement of clients?

It's a complex combination of factors, and it's different for every organisation.

HOW TO DEVELOP COMMERCIAL AWARENESS:

Here are some of the ways you can develop your knowledge and experience:

- Read about relevant news stories in newspapers, journals and the specialist press. The Sunday papers are particularly useful as they summarise the week's news. For business news read the magazine which comes with the Financial Times at the weekend.
- Watch relevant TV programmes such as BBC's Business Lunch, Question Time, and the Andrew Marr Show which can give some context to the big political stories. Even GMTV/This Morning and The Wright Stuff can be helpful in explaining the complexities of topical stories of the moment and give some idea as to public opinion which can then be counterbalanced with other sources of information.
- Radio is another brilliant source and all the BBC shows are on i-player so you can listen to them anytime. Radio 5live and Radio 4 have news shows in the morning (7-9am) and then at 5-6pm there are often debates which focus on business stories.
- There are also radio programmes which focus on specific topics. Examples include Wake up to Money on 5live which rounds up the main business news of the day. On Radio 4 there are Any Questions (political debate), Law in Action, The Bottom Line (business news), Costing the Earth (environmental issues), Material World (science), and Beyond Westminster/Today in Parliament (politics).
- Speak to employers at presentations and careers fairs. Ask what big issues face their businesses.
- Join a relevant institute or association. Many have specialist publications and run networking events.
- Attend an employer-led skills session run by the Careers Service. Some of these are specifically about Commercial Awareness but most will contain some element of this.
- Become involved in extra-curricular activities. Taking on a role such as Student Union exec officer, part-time officer or even just on a student society committee may allow you to take charge of a budget and liaise with external organisations.
- Look at attending one of our intensive Insight Courses. Insight into Media runs in the Easter holidays and Insight into Management in September.
- Investigate simple concepts and structures for looking at businesses (such as SWOT and PESTLE analyses). The Times100 online case studies help to illustrate these. www.thetimes100.co.uk
- Voluntary and part-time work gives you valuable experience in a work-place. If you have had this experience, reflecting on this would be useful in your interviews as actual examples demonstrate that you have a real interest in how businesses are organised and function. Ask yourself:
 - **'What did I observe during my employment?'**
 - **'What did the business do well and how could it improve?'**
 - **'What style of management was used. How effective was it? What would I do differently?'**

HOW TO EFFECTIVELY DEMONSTRATE COMMERCIAL AWARENESS TO EMPLOYERS

Employers have a variety of ways to test the Commercial Awareness of a candidate, some more explicit than others:

Applications/Interviews:

- *"Please explain why you wish to work for this organisation?"* An opportunity for you to explain what interests you about the business and why that company suits you so well. Show that you know the difference between different organisations within the sector and how they operate.
- *Competency-based questioning* This is when an employer asks for evidence of skills such as communication, decision-making or problem-solving. It is all part of how they investigate how well you think and articulate yourself.
- *"So what's been interesting you in the news recently?"* They're examining whether you do take an interest in the sector, whether you've got a story that references them, their clients or their industry, and whether you've understood the implications of events in the media.
- *"How could you demonstrate Commercial Awareness?"* As well as any research, talk about work experience or part-time jobs. Think about the organisation you worked for and how you could demonstrate your knowledge of how it operated.

Selection Centres:

- *Case Studies/Presentations:* Typically you'd get a briefing of some kind about a business situation and be asked either individually or as a group to devise recommendations based on your analysis of that information.
- *E-tray exercises:* These are simulations of a busy email inbox to see how you prioritise work and respond to different queries and pressures.

FURTHER RESOURCES

Careers Service Website: www.bristol.ac.uk/careers

- I want to work in' pages for links to the trade press and news pages of organisations, societies, institutes or associations representing your chosen job sector. www.bristol.ac.uk/careers/careersin/index.asp
- The VAULT library: www.bristol.ac.uk/careers/resources/index.asp
- How to Research Employers: www.bris.ac.uk/careers/essentials/infocenemp.asp
- Employer-led events are run by the Careers Service: www.bris.ac.uk/careers/events
- Advice on interviews, application forms and selection centres: www.bris.ac.uk/careers/advice/index.asp

Other Resources: Books

All these are available to read at the Careers Service Information Centre at 11 Priory Road

- All you need to know about Commercial Awareness (Christopher Stoakes)
- Commercial Awareness and Business Decision-making Skills: how to understand and analyse company financial information (Paul Rodgers)
- Understanding Organizations (Charles Handy)

Other Resources: Websites

- www.liv.ac.uk/careers/students/downloads/CommercialAwarenessGuide.pdf
- www.kent.ac.uk/careers/sk/commercialawareness.htm
- www.learnhigher.ac.uk/Download-document/753-Understanding-organization-and-raising-commercial-awareness.htm
- <http://www.llas.ac.uk/resources/paper/2740>
- http://www2.hud.ac.uk/shared/shared_careerswg/docs/resources/other_booklets/Microsoft_Word_-_Commercial_Awareness_2008.pdf
- The ACCA website has developed a series of articles and podcasts that focus on the elements that make up commercial awareness and how to apply this to the different sectors. www.accaglobal.com/graduates/media/commercial