

A Guide to Commercial Awareness

Introduction – what is commercial awareness?

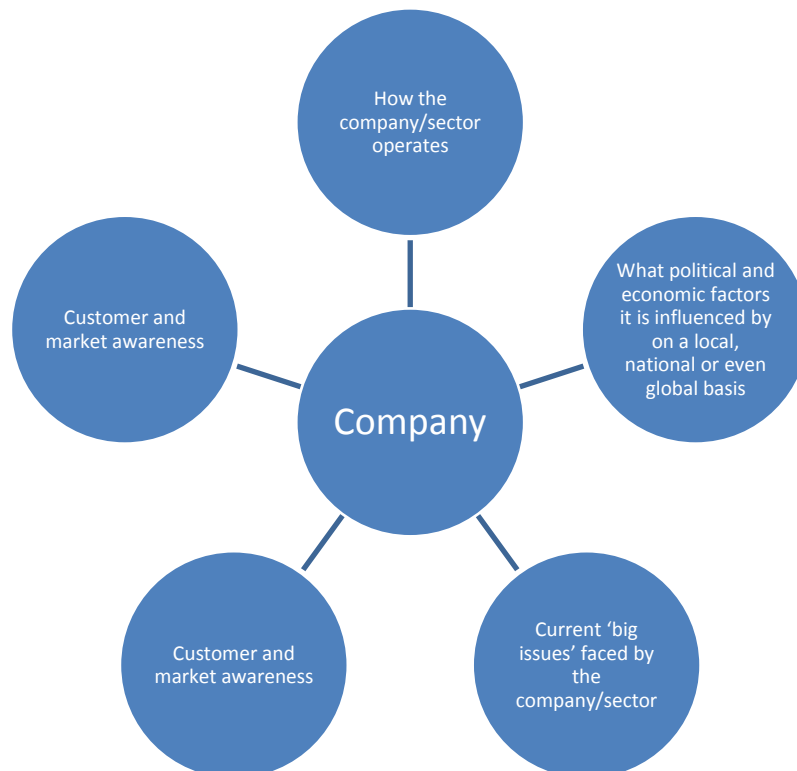
“To become what an employer wants, the three most valuable attributes are: a can-do attitude, technical skills, and commercial awareness” (Cambridge Dictionaries online)

Commercial awareness can be summarised as an interest in business and an understanding of the wider environment in which an organisation operates: its customers, competitors and suppliers.

Commercial awareness is one of the key skills regularly flagged up by employers as being a skill they need, but which many graduates lack. It may also be referred to as ‘Business Focus’, ‘Business Awareness’ or ‘Industry Awareness’.

Employers may define commercial awareness in a variety of ways. On one level, it may be as simple as understanding the requirements of the job you are applying for, the activities you would be carrying out and how this relates to the company’s objectives.

However, more commonly, employers will be looking for you to demonstrate a deeper understanding of the company:



Why are employers interested in commercial awareness?

It won't be tested initially at CV or application stage, but in an interview situation, employers need to know that candidates are ***genuinely interested*** in working for them. Interviewees who have clearly researched the organisation and the sector, and can talk knowledgeably about this, will be viewed much more favourably than those who have not done their homework.

Note commercial awareness is often required for successful performance in the job. For example, how effectively could you market a product if you were not interested in the sector and didn't know much about the product? How could you talk to a corporate client about their financial situation if you didn't actually know what their company did?

Employers across all sectors – private, public and voluntary – may ask questions relating to commercial awareness.

NB: It is also important if you are thinking of setting up your own business – see information on the [Entrepreneurship and Innovation](#) pages on the University of Birmingham website for more help and information about this.

Assessing your level of commercial awareness

If you do, or have previously done, any of the following you will probably have developed a certain level of commercial awareness:

- Have you had a job where you gained real insight into the factors affecting a business?
- Could you see how this business could be further developed?
- Have you ever thought of ways in which you or others could work more effectively or profitably?
- Do you keep up to date with the business news by reading the quality press and watching/listening to the media?
- Are you able to offer ideas how businesses could develop their activities and improve their results?
- Have you held a position at university or had a job where you were responsible for working to a budget?

Do I need to develop my commercial awareness?

Below are some questions to think about which will help you to decide if you need to develop your general commercial awareness:

- What is a business?
- What are the main differences between public and private sector organisations?
- How can a business differentiate itself from its competitors?
- How can good relationships be maintained with customers, employees and suppliers?

- What impact is the economy likely to have on decisions in an organisation?
- Can you name a company which you consider to be successful, and explain why?
- Do you have a broad understanding of current business issues?
- Do you have a company/sector that you have special interest in, and can talk knowledgably about?
- What future developments might impact upon the industry/ organisation?

You may get asked questions like these at an interview – find out how in the next section.

General hints and tips

- Developing your commercial awareness is not about reading the Financial Times from front to back every day. It is about having a **broad awareness** of current issues, and a more in depth knowledge in the areas/sectors you are applying to
- You cannot learn commercial awareness the night before an interview – it is something you should aim to **develop over time**
- It's not sufficient to quote facts and figures which you have read – you need to demonstrate that you can **analyse and draw your own conclusions** from these.
- It's generally not wise to express derogatory opinions of competitors, political parties etc – **ensure any criticism is constructive**, and that you are able to suggest solutions/improvements
- Don't get too technical – anyone can memorise and quote the latest International Accounting Standard if they read about it. Instead, demonstrate that you **understand the issues and practical implications** for the company/sector concerned

How to impress with your commercial awareness at interview!

“A really impressive candidate should:

- *Have an understanding of how the major players in this particular market are performing at present. In some sectors, such as engineering, strong applicants will be aware of who is dealing with who, and which companies have won important contracts.*
- *Be able to speculate intelligently about the future. You'll need to keep up with general news to be able to do this. If there is a major catastrophe somewhere in the world, a good candidate will have some idea of how that could affect developments in the business. They might even have some inkling about how they would plan for completely unexpected events.*
- *Have an understanding of the past which helps them to predict future trends. It's particularly useful to be aware of any typical cyclical patterns, such as how wider economic conditions tend to affect a particular industry.”*

From Target Jobs

Improving your commercial awareness

Below you will find some information sources that could help build your commercial awareness and keep you up to date:

Newspapers

The Financial Times and other broadsheets are good sources of information. Specialist industry reports are often found in the business pages. Often relevant articles are included in their job supplement sections (e.g. 'Media Guardian' on a Monday, or 'Public Agenda' in The Times on a Tuesday)

Journals

Those providing a general business overview such as 'The Economist' and are available both in paper form and online through Library services 'Findit@bham'

Professional/ Industry related publications

New Scientist, People Management etc. are available for reference in Careers Network and online through 'Findit@bham'.

General Websites

- www.prospects.ac.uk - The Graduate Prospects website contains information on a range of job sectors, with useful links to further resources and information
- www.berr.gov.uk – The Department of Business Innovation and Skills provides a wide range of industry reports.
- www.ft.com/home/uk - this website allows you to search within the sections News, Markets, Industries and Companies. News searched can be drawn from the FT archives or global news resources.
- www.reuters.com – Read the latest news stories from around the world. Sections dedicated to business, technology, international news etc.
- www.bbc.co.uk - The BBC provides business news and links to business programmes including the Money Programme.
- <https://ids.thomsonreuters.com/> IDS is an independent research organisation focused on employment-related areas

Professional bodies and government websites

Provide information on industry trends, recent research, and links to related sites. For example, keep up to date with the issues in education by visiting websites such as www.gov.uk/df. To see what commercial awareness means to law firms, visit www.lawcareers.net and click on 'First steps into Law'

Company/organisation websites

These provide more specific information about the organisation and its products/services. These allow useful comparisons to be made.

Other suggestions

University activities and workshops

- Take part in group employer led case studies and workshops which often have a business focus e.g. the Careers Network Skills Series.
- Get involved in student activities that relate to business, such as a society treasurer
- Join a business related student society such as AIESEC
- Make an appointment with a Careers Adviser: they are attached to a particular college, have specialist knowledge about the sector you are interested in and may have contacts in the industry.

Television and social media

- Watch **Dragons Den, the Apprentice** and other business programmes
- Follow companies on Twitter, Facebook and LinkedIn.

Professional societies and networks

Join relevant professional societies (such as the Royal Society of Chemistry, or The British Psychological Society) as a student member, and attend local branch meetings - an excellent way to develop contacts, and contribute to your professional development

Networking

Use your own network of contacts - friends, family and work colleagues are just some of the people who can help. Networking is a great way of building up your knowledge

Please see our handout entitled 'Resources for Researching Employers' for further information and for a full list of relevant resources.