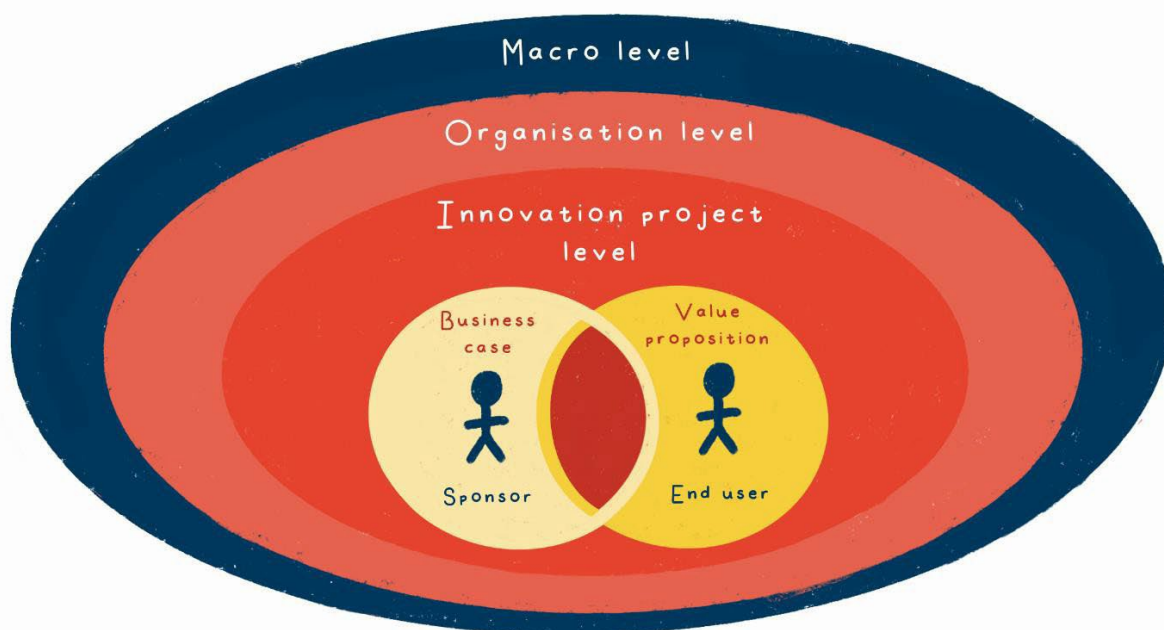


# Questions for Developing Commercial Awareness

## Introduction to Commercial Awareness

The Cambridge English Business English Dictionary defines commercial awareness as ‘knowledge of how businesses make money, what customers want, and what problems there are in particular areas of business’ (Cambridge Business English Dictionary, 2011). We’d like to extend the definition further. In our view, *all organisations need to be commercially aware*, even the ones who that do not seek to make a profit. After all, a government agency or charity also need to be clear about value for money and balance income and spending! Even when we plan our own careers, we need to be commercially aware to inform decisions as to what educational pathways to pursue, what positions to apply for, and what business ideas to develop.

When we discuss commercial awareness, we often focus on the organisational level. However, it is important to also pay attention to what happens within an organisation or project as well as to its wider context (industry, sector, national and global context etc.). For example, when we conduct research on our innovation challenge, we need commercial awareness to understand the sector or industry, as well as commercially relevant issues at the organisation and project level. The figure below provides a framework for understanding commercial awareness at different levels.



**Figure 1:** Levels of Commercial Awareness.

In the remainder of this document, we list some questions that will help you to develop and strengthen your commercial awareness at different levels. This (non-exhaustive) list can be used in the context of your project but also when drafting job applications and preparing for assessment centre appointments or job interviews. Of course, every sector, industry, organisation and project is different, so some questions will be more applicable than others. Being clear about this is, in a way, also a matter of commercial awareness!

We are happy to receive feedback on this list and for you to suggest additional questions that have helped you to strengthen your commercial awareness. Just post on our LinkedIn Group or send us a message.

## Questions: Macro Level

The following questions are useful to consider on a general level, irrespective of which project you may be working on or which organisation(s) you may be making job applications for. Having an interest in topics like this will make you more commercially aware whichever industry and job roles you may consider in future. Finding these things out is easier than you may think. Simply read a few financial websites or watch the news on an occasional basis.

- How is the economy doing globally and in other parts of the world?
- How is the economy doing in your own country? Is it in a stable situation, a growth phase or a recession? Why?
- What is the outlook for the economy? Is it likely to remain stable, grow or decline in the short and medium term? Why?
- How is the country's economy doing compared to other countries?
- What are the economic plans of the government and financial authorities? How are these likely to change over time?
- *Tip: More detailed questions about the economy may be useful too, such as how is the stock market doing, what are the levels of interest and exchange rates and how may these change over time...*

Then, we have questions at the industry level. Often these questions can be answered by looking up academic publications and reports on the internet. The websites of industry organisations can be helpful as well.

- How mature is this industry or sector? Is it stable, growing or in decline?
- What are the biggest challenges facing the industry today? And in the next 10 years?
- What are the opportunities?
- Is this industry regulated? How?
- What degree of competition characterises this industry/sector?
- What environmental factors are important? (*Tip: Consider doing a PESTEL analysis*).
- What past innovations have shaped this sector and industry? How?

## Questions: Organisational Level

The following questions will really help you to understand and be much more commercially aware about any organisation you're applying to or working for. As described above, depending on the organisation, some of the questions may be more relevant than others. For many organisations, the first and best place to begin your research will be the organisation's website. A quick search on the internet will also usually help you to find many other resources.

- What sector or industry is the organisation in?
- What is at the core of the organisation's activity? What do they do? What products or services do they make, sell or deliver?
- Who are their customers or clients? (*Tip: Sometimes it can also be useful to do some initial stakeholder mapping.*)
- Where does their revenue come from? (*Tip: Even if the organisation doesn't sell anything, they will still have revenue – for example, a charity may be funded by donations or receive government or other funding.*)
- What is their 'business model'? For example, if the organisation sells something, do they sell individual items or subscription services or both?
- When does the organisation make more/less revenue? (*Tip: Revenue streams can fluctuate significantly. Some organisations mainly earn from sales around Christmas, others vary across years as revenue depends on introducing new products in certain intervals, etc.*)
- What are the organisation's main costs? Might there be a threat of increasing costs?
- Who and where are their key suppliers? Might there be a threat to their supply chain?
- What is the organisation's unique selling point? How does it differentiate itself from competitors? (*Tip: Look up 'Porter's Five Forces' for a simple framework for evaluating competition.*)
- Does the organisation have to comply with specific regulatory requirements?
- Are there mandatory services the organisation needs to provide?
- Who are the organisation's competitors? How are they getting on?

- Who are the organisation's main partners? How are they getting on?
- What are the financial results and impact, compared to their competition/similar organisations?
- What are the main strengths and weaknesses of the organisation?
- What are the biggest challenges facing the organisation today? And in the next 10 years?
- How ethical and sustainable are they, or is it all just marketing and 'green wash'?
- Is the organisation innovative or are they likely to be left behind by a new wave of technology or changes and customer trends?
- What is the outlook? Will the organisation likely exist in 12 months or 5 years?
- What good and bad things are people saying about them?
- Does it sound like an organisation you want to work for? Why?

## Questions: Project Level

The following questions will help you to understand what your project is about in the wider context of things. Don't worry, you won't be able to answer all the questions on day one, but thinking about them and answering them over time will put you in a better and much more commercially aware position to deliver the project successfully. Don't forget, you can also use Design Thinking techniques to answer some of the questions (e.g., about the end users and stakeholders) in the early stages of the project.

- What is your project about? What challenge or opportunity does it address?
- How does the project align with the organisation's overall strategy and priorities?
- What is its organisational context? For example, are you delivering the project for your own organisation, or for a customer or a client?
- Who decides if your project will be developed and implemented? Who is the sponsor?
- Where can you obtain funding for your project? Will this come from the sponsor, a customer or client, or another source such as innovation fund?

- What are the main interests of your sponsor? What are their (minimal) expectations with a view to this project? What are their fears/issues they will be keen to avoid?
- What value does the project deliver to the sponsor?
- Who will be the end users of your project's solutions and what value may the project deliver to them?
- Who may be other key stakeholders and what value may the project deliver for them?
- What is the rationale for progressing this project? (*Tip: This and a number of the following points will be included in the project's business case.*)
- What are the opportunities for revenue, income and/or other positive value and benefits?
- What are the main costs associated with the project?
- Are there regulatory requirements which need to be met/addressed?
- How much investment will you need? (*Tip: Break down and justify your estimate. This will be part of your business case.*)
- Does the project have specific timeline requirements for project development and implementation? Are these likely to be achievable?
- What is the timeline for investment and benefit realisation? (*Tip: Consider break-even points.*)
- What capabilities are needed to develop the project further?
- What risks are associated with the project?
- How can these risks be monitored? How can they be avoided or mitigated?
- What dependencies may the project have on other projects, teams and/or organisations?

- What is the likely wow factor of your project?