**Commercial Awareness**

* [What is it?](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#what)
* [Why is it important?](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#why)
* [Is it only relevant to business careers?](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#who)
* [Questions you may be asked to demonstrate it](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#questions)
* [Motivation-based interviews](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#interviews)
* [Further information](http://www.kent.ac.uk/careers/sk/commercialawareness.htm#further)

**Employers** **keep asking about “commercial awareness”: what do they mean and how can I show them that I have it?**

* **Commercial awareness could be summed up as an interest in business and an understanding of the wider environment in which an organisation operates**: its customers, competitors and suppliers.
* It might also encompass understanding of the economics of the business and understanding the **business benefits and commercial realities** from both the organisation's and the customer's perspectives.
* Generally it includes **awareness of the need for efficiency, cost-effectiveness, customer care and a knowledge of the market place in which the company operates** (current economic climate and major competitors, for example)

**Why** **is it important?**

* It is a major criteria for selecting candidates (see the table below). A survey by the CBI and UUK in 2009 found that 35% of employers were dissatisfied with the business and customer awareness of graduates.

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| *"The public sector is increasingly required to meet targets and therefore values* ***commercial awareness*** *in addition to a commitment to public services"*Vitae |

* One major consultancy felt that a detailed **understanding of the company, the issues facing the industry in which they operate, professional qualifications offered and job roles within the company** was even more important at interview than answers to [**competency-based questions**](http://www.kent.ac.uk/careers/compet/skillquest.htm)
* It shows your commitment to the job you are applying for.
* It gives you more to discuss in an interview
* It improves your knowledge of a particular industry or company and may allow you to spot career opportunities you hadn't previously considered.
* It helps you with [**career choice**](http://www.kent.ac.uk/careers/Choosing/ChoosingCareer.htm).

**Is it only relevant to business careers?**

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| *“Never say, ‘I want to be in publishing because I love books.**Of course that is important but you need to make it very clear that you understand publishing is a profit-orientated business like any other* *.... Being clued up on the issues facing the industry—from the changing role of the author to digital rights and intellectual property—is impressive to an employer and work experience is often the best way to develop this* ***commercial awareness****".* The Bookseller |

**It is relevant to every career!**

* [**Teachers**](http://www.kent.ac.uk/careers/interviews/ivteaching.htm#questions) must be aware of the current trends in education.
* [**Journalists**](http://www.kent.ac.uk/careers/interviews/ivjournalism.htm#Other) must know of the move to multiformat and web journalism.
* [**Social workers**](http://www.kent.ac.uk/careers/workin/socialwork.htm) must be aware of the latest government initiatives.
* Students applying to [**publishing**](http://www.kent.ac.uk/careers/workin/publishing.htm) must be aware of the profit orientation of the industry.
* [**Hospital Administrators**](http://www.kent.ac.uk/careers/sitesgov.htm#HEALTH) need to know about the NHS Commercial Operating Model

See the quotes in the yellow boxes to the right.

**Employers** **may look for evidence of CA in your answers to general questions:**

* Tell me about your vacation job last summer.
* Tell me about a time when you worked in a team to solve a problem
* What is your greatest achievement?
* Why are you applying for this position?
* Which living person do you most admire?

**Or you may be asked more specific questions to demonstrate your commercial awareness:**

* What do you know about our organisation?
* Why do you wish to enter the .... industry?
* What are our main products/services?
* What are the problems facing our industry at this time?
* What changes have there been in our industry recently?

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| **The “Top Ten” Skills shortages among graduates** | % of employers surveyed |
| 1 | [**Commercial Awareness**](http://www.kent.ac.uk/careers/sk/commercialawareness.htm) | **67%** |
| 2 | [Communication Skills](http://www.kent.ac.uk/careers/sk/communicating.htm)  | 64% |
| 3 | [Leadership](http://www.kent.ac.uk/careers/sk/leadership.htm)               | 33% |
| 4 | [Ability to work in a team](http://www.kent.ac.uk/careers/sk/teamwork.htm) | 33% |
| 5 | [Problem solving](http://www.kent.ac.uk/careers/sk/decisionmaking.htm) | 32% |
| 6 | Conceptual ability | 21% |
| 7 | [Subject Knowledge & competence](http://www.kent.ac.uk/careers/degreein.htm) | 19% |
| 8 | [Foreign languages](http://www.kent.ac.uk/careers/sk/LanguageSkills.htm)      | 19% |
| 9 | [Numeracy](http://www.kent.ac.uk/careers/tests/mathstest.htm) | 19% |
| 10 | Good general education | 15% |
| Source: [Association of Graduate Recruiters](http://www.agr.org.uk/) “Skills for Graduates in the 21st Century” |

* Who are our competitors? What are the differences between them and us?
* Who are our clients?
* What do you think the job you would be doing entails?
* Where do you see yourself in 5 years time?
* What salary do you expect?
* How do you keep up to date with what is going on in business?
* What story in the business press has interested you most recently?
* What is the current Bank of England base rate?
* How many euros would you get today in exchange for £10?
* What is the FTSE 100? Did the FTSE go up or down yesterday?
* What was our share price this morning?

**Questions about your work experience**

* What skills did you develop from your work experience? Any transferable skills?
* What would you do differently if you worked there again?
* What was your experience of working in a team?
* What is the management structure of the company? How effective is this structure?
* Can you describe any good leadership skills you witnessed?

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| **HOW IT WORKS IN PRACTICE**A few years ago the NHS interviewed in the Careers Service for their management scheme. Eight candidates were interviewed but only one of these was put forward to the final round. The candidate put forward had an average academic record and although pleasant, didn't seem to have any skills or attributes that a number of the other candidates didn't also possess.I asked the interviewer why this individual had been selected. She said it was quite simple. He had spent a day at a hospital shadowing a senior manager and his knowledge of the NHS, how it works and the skills required was far better than any of the other candidates she had seen. |

* What is their recruitment and retention like?
* What would you do differently if you were in charge?
* Have there been recent changes in the industry the company operates in?
* What market share does the company they have?
* Is it a Global Industry? If yes, what are the implications?
* Have they been in the press?
* What is the company's unique selling point?

For help answering these see our [Answers to 150 common interview questions](http://www.kent.ac.uk/careers/interviews/ivquest.htm)

**Motivation-based interviews**

Some organisations such as the [Financial Services Authority](http://www.fsa.gov.uk/Pages/About/careers/index.shtml) (FSA) have **changed their whole selection process to focus on motivation**. The FSA reviewed their graduate selection process as applications had increased 300% due to the recession, costing more staff time and money.

Analysing candidate performance revealed that [**competency-based questions**](http://www.kent.ac.uk/careers/compet/skillquest.htm) **were no longer a reliable indicator of a candidate’s ability**. Assessors were also surprised by the number of **candidates who were unable to say**

* **why they had applied to the organisation**
* **what the organisation did**
* **what appealed to them about the job**
* **how they could contribute.**

Many candidates had **failed to research the organisation sufficiently**, only looking at the company website and making no attempt to **talk to current employees** and alumni at the organisation or to **understand the core values and culture**.

As **motivation and business acumen were the root cause** of these issues, they looked at methods to test this at earlier stages in selection.

The following changes were introduced:

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| *"****Commercial awareness*** *is increasingly seen as crucial for the functioning of the NHS ...  the new NHS Commercial Operating Model is changing the rules of procurement – and opening doors for the medtech industry."* |

* Introduction of an [online financial analysis test](http://www.kent.ac.uk/careers/psychotests.htm) to assess applicants' ability to understand and interpret financially related information (business acumen)
* Removal of competency based questions from the application form and replacement with motivation and business acumen questions:
	+ **Why you have applied** for a career at the FSA, **why are these reasons important to you**, **how have you prepared** for making this application?
	**Why you have applied for this particular graduate programme**. Why are the reasons you have stated important to you?
	The FSA has frequently been in the news over the past two years. Please outline **the main issues the FSA are currently facing** or will face in the future.
* Candidates were then asked to pick two issues and to talk about these in depth:
	+ What action should the FSA take to deal with this issue? Why? What might the implications be?’
* Addition of motivation questions as part of the telephone interview and face to face interview.

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| *"To successfully secure corporate donations fundraisers need to know their audience and communicate with them in a way that appeals to their wants and needs.* *With this in mind, it’s vital that fundraisers have a* ***commercial awareness*** *of the pressures faced by and aims of any companies being targeted for support."* |

The recruitment team could screen out candidates who had not carefully considered the FSA as an employer or who did not have the capability to be successful.

**Making the form harder** also meant that candidates making lots of ill-considered applications (the scattergun approach) did not even complete the form: they had over six thousand unsubmitted applications.

This also resulted in:

* 25% more applications rejected at application and online test stage saving £30K in telephone interview costs alone
* 70% of those reaching final stage assessments received an offer, resulting in happier assessors and candidates.

Some other companies have reviewed their recruitment methods to take this into account. In these companies interviewers **drill down to the core motivations** of the candidate, leading to a higher percentage of offers of employment being accepted rather than applicants waiting for a better offer

Companies want to **see that the applicant has gone the extra mile of meeting people** on campus and has **made a well informed decision on the companies they will apply to.**

**How to get commercial awareness:**

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| **HOW IT WORKS IN PRACTICE**A Kent graduate applied for an internal audit position with an accountancy firm. We advised her to do in-depth research on what internal audit involved using Google.At interview candidates were asked to explain what they knew about internal audit and she managed to speak for nearly five minutes about this. Later she was told that none of the other candidates knew enough about internal audit to talk for more than a few seconds, and they had been greatly impressed that she had found out so much. She was offered the job.  |

* It may seem obvious but **read the employer's brochure and check their web site** for background information - don't just look at the "careers" section but also at the sections for clients, potential clients and staff. Review their **annual report**
* Find out **who the organisation's competitors are**: you may well be asked this and which ones you have applied to! Also try to find out the size of the workforce, the turnover and profits of the company, its share price and key activities which interest you.
* **Read the business press** - the business pages of the major broadsheet newspapers should cover most of the background that you need, but the FT and the Economist will be essential if you are applying for a research/analysis sort of post.
* During your reading, **look out for stories that will affect the organisation to which you are applying**, or its clients, directly or indirectly. Current issues (2010) could include climate change; the forthcoming UK general election; banking reforms and banking bonuses and whether the economy is emerging from recession.
* **The professional press**: Accountancy Age, The Lawyer, etc will keep you up-to-date with developments in the relevant sector. See our [I want to work in ... pages](http://www.kent.ac.uk/careers/workin.htm) to find out information sources for a range of career areas. Graduate publications such as Real World magazine, TARGET magazine and sector-specific titles such as Lawyer 2B can also help - many of these are available free from the Careers Advisory Service
* **Make a point of viewing/listening to business-related programmes on TV and radio** such as Working Lunch, the Money Programme and World Business Review. Some, such as Dragons' Den and The Apprentice may be designed as entertainment but raise a number of business issues and can offer good material for discussion.
* **Do a** [**SWOT analysis**](http://www.kent.ac.uk/careers/sk/decisionmaking.htm#SWOT) on a company or sector of interest to you. Analyse the market sector in which a specific company works – who are its competitors? See [www.kent.ac.uk/careers/EmployerSearch.htm](http://www.kent.ac.uk/careers/EmployerSearch.htm) for useful information sources.
* **Relate your own experience to business.** You may be doing casual bar or retail work purely to earn money but this can also be used to gain an insight into business. What are the good and bad points about your employer? Who is its target market? Who are its main competitors? How would you improve the company's image or profitability?
* If all this sounds like a lot of work - **these are competitive areas** which need thorough preparation to have any chance of success - and your workload once you join any of these organisations will be even heavier!

**Further information**

* Book: **"All you need to know about Commercial Awareness":** in Careers Information Room
* Some [**advice for law students**](http://www.herbertsmithgraduates.com/apply/application_and_interview_advice/commercial_awareness.htm) from Herbert Smith
* **Target Jobs** [commercial awareness page](http://targetjobs.co.uk/careers-advice/choosing-an-employer/commercial-awareness-why-business-savvy-graduates-get-jobs-with-) and article with an **"employer research sheet"** <http://targetjobs.co.uk/general-advice/articleview-15a_2835.aspx>
* **Questions on the Credit Crunch** are very likely at present
	+ “Credit Crunch Explained” [www.mortgageguideuk.co.uk/blog/debt/credit-crunch-explained](http://www.mortgageguideuk.co.uk/blog/debt/credit-crunch-explained/)
	+ eFinancial Careers A – Z of the Financial Crisis <http://news.students.efinancialcareers.co.uk/NEWS_ITEM/newsItemId-14903>
	+ Guardian Business [www.guardian.co.uk/business/creditcrunch](http://www.guardian.co.uk/business/creditcrunch)

In <http://www.kent.ac.uk/careers/sk/commercialawareness.htm>