



Building Business & Commercial Acumen

Strong and successful business leaders have a number of skills and attributes – empathy, insight, problem-solving skills, operational talent, leadership capability and business acumen.

In this module we will focus on the key attribute of business acumen and try to build and embed the habit of problem-solving through four different lenses, which together will help you to develop greater commercial nous.

As a leader, all the decisions you make should result in strong commercial outcomes for the organisation either immediately or over time. Not all decisions will have an instant return on investment; some investment, such as in leadership development, will return benefits over the longer term.

Leaders with business or commercial acumen should be able to easily answer these questions:

- How does your organisation make a profit (surplus for NFPs)?
- What are your organisation's goals and objectives and how will they be achieved?
- How does your organisation deliver shareholder and customer value?
- How do all the various divisions or functions work together to produce business outcomes and to deliver customer and shareholder value?

The four lenses are:





Customer Orientation

Customer orientation requires individuals to put themselves in the shoes of the customer or stakeholder. How will this decision impact customer loyalty or the brand reputation? In other words, how could this decision change how your customers, employees, suppliers or investors feel about and interact with the brand or organisation? Individuals with strong business acumen will always consider the impact on key stakeholders or customers of the brand.



People Awareness and Orientation

People awareness and orientation refers to the leader's ability to consider the impact of decisions on the organisation, individual employees, teams, culture, workflows and the general operations of the business. Will this decision require a restructure or new skills? Will capital investment be required or will workflows need to be changed? If resources need to be deployed to implement this decision, what are the opportunity costs? How will you communicate your decision to those impacted, or overcome resistance? Great leaders always consider the impact on their teams when making decisions.

Leaders with business acumen have the ability to develop strategic decisions; understand all areas of a business' operations and how they are interconnected; understand the financial levers of the business; and anticipate the reactions of and impact on customers, employees, culture, suppliers, industry and competitors, all with the intention to create value and profit for customers, employees, investors and shareholders.

Each of the four exercises in the modules will focus on a specific lens. In summary:

Developing business acumen usually takes time, effort and dedication. The enemies of building business acumen are a lack of curiosity; focusing on yourself, your team or your role only; a lack of care or interest in the organisation or in business more broadly; and a general lack of effort.



Financial Acumen

Financial acumen refers to an individual's ability to understand, analyse and make decisions from financial information, such as profit-and-loss statements, cashflow and balance sheets. Strong leaders will consider the financial return on investment of all resources invested and allocated.



Strategic Thinking

refers to an individual's ability to develop and implement effective plans to manage business situations and achieve business objectives and goals in the short, medium and long term. Strong strategic thinkers have analytical, problem-solving, technical, research, financial, decision-making and people skills. They are able to identify the difference between the critical factors for consideration and 'noise', and they can foresee and forecast the impact and ramifications of their recommendations and mitigate the risks where necessary.



Sources

- [Business Acumen Skills: Definition and Examples](#)
- [A Guide to Developing Strong Business Acumen](#)
- [Business Acumen: 11 Core Skills You Need to Have to Increase Yours](#)