

What is commercial awareness and why is it important

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'Too many candidates are applying to jobs but do not know how the industry or the company works', (Brian Hood, Head of Campus Recruitment at Citigroup Corporate and Investment Banking). Many recruiters complain about the lack of business or commercial awareness in applicants, even though they are impressed with the candidate's other skills. This can often be a deciding factor at the selection. Commercial awareness is one of the main qualities listed as important to employability by many employers, but sadly one that many people are unable to demonstrate. In work ads, discussions among recruiters, and career advice websites, it comes up repeatedly. Graduate recruiters prize commercial awareness across all industries and in the private and public sectors alike.

In a study in 2013 conducted by Euroscientists during a research workshop, employers were asked about the type of skills they thought researchers would have only about a quarter of respondents said they thought researchers would have high levels of commercial awareness. This compared to closer to 100% who thought researchers had a high level of skill in data analysis. So why should this matter? Well, because employers in many sectors of industry, recruiting for a variety of job roles, value commercial awareness, and look for evidence of this, both at the application and interview stage. This then brings us to the question of what is commercial awareness.

Commercial Awareness

Commercial awareness is an understanding of how industries and businesses work. It is about knowing what is going on in the world and analyzing the way it might affect your chosen sector and company.

Employers will expect graduate candidates to show at least the following in general terms:

- **An understanding of their business.** That is, a knowledge of its activities or products, how it makes money, how it is managed, and how the role applied for contributes to the organization.
- **An understanding of the marketplace.** In the private sector, this will include a knowledge of major competitors (and how the employer differentiates itself from them) and about any issues that might affect clients' willingness to spend money with them. In the public sector, this will include an awareness of the pressures on public spending and how the sector is adapting to that. For both the public and the private sector, there should be a degree of awareness of how political and economic trends and events could affect the employer.

An impressive candidate might also:

- **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 which companies have won important contracts.

- **Be able to speculate intelligently about the future.** One needs to keep up with general news and use this information to figure out how political events and economic trends anywhere in the world could affect developments and strategies within the organization. For example, a change in consumer habits – not least shopping online – has affected the business strategies of retailers, consumer goods companies, and the property companies that buy, sell and manage shopping centers.
- **Have an understanding of the past, which helps them to predict future trends.** It is particularly useful to be aware of any typical cyclical patterns, such as how wider economic conditions tend to affect a particular industry. On a smaller scale, it could be helpful to be aware of the cycle of the financial year and the effect it can have. For example, clients such as local councils might attempt to spend any remaining budget for road building or maintenance before the end of the financial year, making this a busy time for civil engineers and construction contractors who specialize in this kind of work.
- **Be aware of how their role may affect business performance.** A smart candidate understands how their actions as a graduate employee may affect the business' bottom line (even in a small way). For example, you might need to balance the importance of giving great service to all clients and customers with the need to allocate your time to the most profitable or highest priority projects. Similarly, if you are a trainee manager in the private sector you will need to consider how best to deploy your team to minimize costs and maximize profits.

Why is Commercial Awareness important?

Leading graduate employers expect you to have strong Commercial Awareness. On application forms and at interview, firms are likely to test your knowledge of the sector and the environment the company works in. The strongest candidates will have a clear understanding of how the changes in the business world affect the organization. Also, fully understanding their challenges and the marketplace they operate in is not just useful during the application – it will give one the upper hand when starting at the new organization. A recent survey by the Association of Graduate Recruiters (2018) found leading firms believe Commercial Awareness was the number one skill graduates lacked the most.

What are the elements of business and commercial awareness?

They are varied, depending on the organization and the sector, but can include:

An interest in business – does on, for example, know the difference between a private limited company and a public limited company. Do you read financial news on the web or in newspapers? Having an interest in business and commerce is essential to many recruiters.

Customer care skills – understanding the needs and concerns of the customer and having the essential communication skills of listening, questioning, verifying, and explaining to ensure customers get excellent service is critical. One also needs to understand how customers make their choices and how organizations attract and keep new customers.

Economic and political awareness – is one aware of how the current economic and political issues,

nationally and internationally, affect businesses and public services?

Creativity – being innovative and seeking different ways of doing things, having ideas, and being able to provide practical solutions to issues are important skills in helping an organization to succeed.

Strategic thinking – having the clarity of vision to set realistic aims and objectives, and knowing what one needs to do to achieve them are key elements to both personal and career success.

Knowledge – good information, whether this is on finance, markets, customers, competitors, communities, technologies, or anything else relevant to the organization and your work is essential. Having the ability to research new information and use it, is a key element in proving commercial awareness.

How to develop your commercial awareness

One needs to conduct thorough research on the employer immediately before you apply – but you can start to develop your general knowledge of the industries you wish to enter and your awareness of political and economic events well in advance of applying. Candidates who make a concerted effort to gain commercial awareness for the year or so before applying for jobs should be in a strong position.

Follow industry news – try setting up email alerts on specific search terms, follow relevant Twitter feeds, and read industry news online. If industry news sites are behind paywalls, check if your university department has a subscription to them or if they offer deals for student subscribers. Along similar lines, your university library or careers service should have a print or online subscription to a range of business magazines, including The Economist, the Financial Times, and locally in Zimbabwe the Financial Gazette. These are excellent for giving one an overview of the world's political and economic state. This knowledge gained will be vital in demonstrating in interviews, assessment centers, and case study exercises that, as a candidate, one possesses commercial awareness.

In conclusion, different employers have their interpretation of what commercial awareness means for them and in their sector. Candidates should demonstrate their commercial awareness by showing that they have completed a good amount of research on the employer on the sector (particularly at interview, when answering questions or when asking your questions) and by whether you factor in commercial considerations when approaching scenario-based interview questions or exercises.

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