

BUSINESS ACUMEN (BA)

Business Acumen is the ability to understand the business implications of decisions and the ability to strive to improve organizational performance. It requires an awareness of business issues, processes and outcomes as they impact the client's and the organization's business needs.

<i>This Means...</i>	<i>This Doesn't Mean...</i>
<ul style="list-style-type: none"> linking day-to-day tasks to business objectives 	<ul style="list-style-type: none"> blindly forecasting into the future
<ul style="list-style-type: none"> understanding tactical business fundamentals and incorporating them into decision making 	<ul style="list-style-type: none"> ignoring the business issues and how they will impact decisions
<ul style="list-style-type: none"> understanding the external environment and being aware of how projected directions of industries impact customers and the organization 	<ul style="list-style-type: none"> waiting for industry to launch a new approach in the market or for an industry problem to occur, and then reacting to it
<ul style="list-style-type: none"> understanding how business issues, processes and outcomes affect the organization's strategic direction 	<ul style="list-style-type: none"> meeting short-term job objectives without considering long-term opportunities or impact for the organization
<ul style="list-style-type: none"> anticipating changes in the business environment to understand competitive advantage 	<ul style="list-style-type: none"> taking a "back seat" approach to finding out what will happen in the future
<ul style="list-style-type: none"> constructively challenging existing market strategies, products or services within your market segment and developing new approaches to improve or replace them 	<ul style="list-style-type: none"> criticizing existing market strategies, products or services without offering alternative solutions
<ul style="list-style-type: none"> looking for what other organizations are doing successfully and determining what you could transfer to your organization 	<ul style="list-style-type: none"> assuming that if there is not a problem, there is no need for improvement
<ul style="list-style-type: none"> regularly researching information by contacting people who are not normally involved 	<ul style="list-style-type: none"> counting on the people immediately at hand (your manager, staff) to keep you informed on relevant technologies or business information
<ul style="list-style-type: none"> reading manuals, internal documents, technical journals and other information sources to find out as much as possible about emerging technologies, products or services 	<ul style="list-style-type: none"> learning just enough about the system, products or services you are working with to deal with immediate problems

**Developmental
Activities**

Level 1-2 Activities

Gather and read information related to your market segment.

- Ask your manager, colleagues or team members for information related to your local and international market segment. For example: professional journals, industry newsletters or general business periodicals.
- Read the information on an ongoing basis.
- Find a few people who have a broad perspective on your organization and the industry.
- Maintain regular contact with them with the specific intention of learning more about issues you face.

Identify a problem related to market needs, products or services, where you will need to apply Business Acumen to solve it.

- List all information you will need to solve the problem (any information that is important to resolving the issue).
- Use past experience (either local or across the organization) to analyze how the problem relates to the goals and objectives of your team.
- Seek input from your manager or team members who have expertise in resolving the problem.

Reflection Tip:

- * Think about the most effective way to gather robust and relevant information (e.g., source can include printed material, interviews, focus groups, questionnaires, direct observation).

Determine benchmarks.

- Collect information about best practices and key success factors in Government.
- Collect information on best practices and key success factors for relevant industries in the private sector.
- Use this information to develop benchmarks for performance and behaviour in your own branch/ organization.
- Share these benchmarks with your peers and managers to test them for accuracy and alignment.

Reflection Tips:

- * Discuss appropriate sources with your peers.

* Think about potential differences between organizations in industry and Government.
How does this information impact the benchmarks you set?

Keep a brief record of information about your customers or other business contacts.

- Try to understand your customer's or business contact's point of view.
- After an interaction with a customer or business contact, put yourself in their shoes and try to imagine what they were feeling or thinking during your interaction with them.
- Think about how what you did influenced that person in either a positive or negative fashion.
- Write down what you would be differently next time to make the interaction more positive.
- Use that information to develop a call plan for the next time you interact with that customer or business contact.

Build a business case for a decision you need to make.

- Break down the decision into all of the critical components.
- Examine each of the components individually, considering factors such as resource utilization, cost/benefit impact, alignment with strategic goals, etc.
- Identify the key benefits from each component.
- Analyze your business objectives and strategy. Determine if there are any issues that are impacted by the direction of your business. Does your strategy imply a need for a different mix of skills, knowledge and behaviours for the future?
- Review the organization chart for your business and determine who will be impacted by your decision.
- Hold regular meetings to review the business case and determine whether a change in direction or priorities is required.

Reflection Tip:

* Discuss your findings with your peers. Get their input.

Conduct a "SWOT" analysis.

- Conduct an "environmental scan" of strengths, weaknesses, opportunities and threats (SWOT) related to your operation, department or function.
- List each of them and determine specific actions and steps that you can take to strengthen the department's competitive position.

- Discuss the results with your peers and prioritize.

Observe a “thought model.”

- Define the areas of business thinking which pose challenges for you.
- Identify someone within or external to your department who excels in those areas, and ask if you can spend some time with them to see how they apply their skills.
- Observe the individual as they work through a business issue, or ask them to describe for you a time when they applied the business thinking you are working to develop.
- Concentrate on the thought patterns that they are describing, the warning signs they looked for, the factors they considered and the outcome. Make notes as they are working or talking.
- If possible, use this person as a “sounding board” for your approach when you are next faced with a situation which calls for the application of this business thinking.

Reflection Tips:

- * Think about what takes you the longest to do. Which areas of analysis you tend to avoid, where you’ve been “caught out” in previous projects or submissions to identify the areas you need to shore up.
- * Consider the personal style of the individual as well as his/her skills. You will be requesting some time and attention from him/her and it is important you are comfortable in doing this. Also think about the culture in which you and your “thought model” work – is asking questions, or admitting to not knowing something valued or punished? If it is the latter, it may be wiser to find someone outside your organization to act as your “thought model.”

Form a business fundamentals group.

- Look at the course curriculum for an Executive MBA or other business programs.
- Identify the context areas which are most relevant to your work or your department.
- Find individuals within or external to Government who have expertise in these areas. Ask them if they would be willing to act as a coach or resource for you in that area.
- Talk to your peers about their level of interest in participating in a discussion group which would be focused on increasing individuals’ knowledge of business fundamentals.
- Set aside a particular time to meet with the other members of the group and create a schedule for dealing with the information.
- Evaluate your own learning and the responses of other group members throughout the schedule.

- Look for opportunities to apply your newly found knowledge in your role-practice will cement it.

Reflection Tips:

- * Think about where you could contribute.
- * Define whether your time is best used receiving the basic information from your coach/resources, or whether application practice is more important.

Review the priorities and current activities of your department.

- Identify priorities that will deliver the expected short-term results and those that will deliver the medium-term results.
- Do you have the right balance short-term and medium term?
- What is your division doing that is a "nice to do" which is not tied to the short-term or medium-term results versus a "must do"?
- Meet with your colleagues to discuss those activities that will not deliver short-term or medium-term results.
- Re-deploy resources to the medium and short-term priorities that require more support.

Reflection Tips:

- * Discuss with your peers what "the right balance" would be.
- * What must happen to link current activities to long-term objectives?

Strategic thinking and industry foresight is strengthened by:

- Developing and testing assumptions:
 - ⇒ review information collected, identify the major themes and formulate a direction;
 - ⇒ facilitate a meeting with internal experts to help quantify your assumptions on financial and market impact;
 - ⇒ test your assumptions by participating in an external forum on industry or economic issues and future trends;
 - ⇒ participate in internet forums on relevant business topics.
- Drawing appropriate conclusions:
 - ⇒ outline the impact of your assumptions and the implications on people, technology and process;
 - ⇒ obtain samples of successful strategic plans/papers which have been produced internally and externally;
 - ⇒ review your conclusions with a colleague.

- Developing awareness of issues and trends:
 - ⇒ review national and global events and trends affecting your industry as well as business in general by regularly reading leading financial newspapers (e.g., Globe and Mail, Financial Post, Financial Time (U.K.), Wall Street Journal, Asian Wall Street Journal Weekly, Far Eastern Economic Review, business journals (e.g., Harvard Business Review, The Economist), books (e.g., Megatrends, Shifting Gears, The Age of Unreason);
 - ⇒ review annual reports of local and global companies. What assumptions are they making about the future? Consider what implications these have on the organization.

Reflection Tips:

- * What economic and social trends might impact your organization?
- * What strategies and contingency plans address the opportunities and challenges of the desired future state of Government?

Level 3-4 Activities

Conduct a client/area review to identify trends and potential responses.

- Focus on specific areas - regulatory trends, competitive trends in customer market, changes in senior personnel within customer organization.
- Create a template for yourself and others to use, so that information is in a standard, easily accessible format.
- Once you have recorded the information, look for trends across organizations or within organizations - has the direction changed every time key personnel are moved? How have they typically responded to changes in the marketplace (e.g., entry of American competitors), or changes in the economy?
- Study customer satisfaction surveys and external industry reports.
- Talk to the customer about issues facing them, trends affecting them, and concerns they may have about the future.
- Review any available information regarding the potential direction the market will take - in what areas are they well-positioned? Vulnerable or underutilized?
- Compare these areas to your organization's full range of services - how can you help leverage your strengths? How can you help bridge the gaps? Is there a group of services/products which can be recombined or redesigned at a low incremental cost to the organization, but for which customers would pay more?

Reflection Tip:

- * Share your thoughts with your peers and collect their feedback. Keep copies of your analyses in a centrally accessible place, so others can understand your reasoning, learn more about the customers/market, use them as a template for their own review and planning processes.

Keep current with trends and issues affecting business in general as well as the public sector.

- Collect information about emerging best practices and key success factors in the private or public sector that you believe could be transferable to your branch/ organization.
- Prepare a quarterly report summarizing information from these various sources about current social, environmental, and technological trends, and forecasting what you expect to see developing in particular sectors.
- Begin by researching where to get reliable and helpful information about your department's financial position. Define the key factors which you want to keep track of (e.g., IT advances, means of product or service delivery) and set up a formal system for tracking them.
- Once you are comfortable with your system, expand it slightly to include other areas as well, for innovative concepts which may add value to your branch/ organization.
- Use this information to guide annual service plans and long-term objectives.
- Keep abreast of changes in legislation and/or accepted industry standards and determine any adjustments your branch/ organization will have to make in order to keep on track with accomplishing its objectives.

Reflection Tips:

- * Share this report with your peers. Use it to initiate discussion. Consider forming lunch discussion groups, or other interactive opportunities to discuss the information.
- * Develop a cuttings file or a discussion list of ideas, which you feel are the most relevant to your department's productivity/efficiency.
- * Brainstorm about changes in the marketplace that would have an impact on productivity and affect the future of your organization

Assess your branch's contribution to the company's strategic plan.

- Identify your branch's specific expertise. Then ask yourself, "what outputs, accomplishments or services would the public lose, now and in the future, if our branch did not exist?"

- Test whether the major mission for your branch is aligned with and adding value to the overall direction of the organization.
- Review your branch's overall strategic plan.
- Once you have identified your branch's contributions, consider how its expertise should evolve and adapt over time to continuously add value to the branch's overall direction, and to support the organization's strategic plan.
- Produce a written record of your conclusions and the action you would take.

Reflection Tips:

- * What challenges or opportunities will hinder or support your organization's strategic direction?
- * Share your thoughts with your colleagues.

Develop your knowledge of international business practices.

- Target conferences on global trends that include economic, technological and social impact.
- Identify leaders in other countries and arrange discussions regarding business strategy and the unique implications of their culture.
- Consider what industries are the biggest supporters of their economies. Who are their key trading partners? What level of participation do they have in international bodies such as the G8, World Trade Organization, European Union or various bodies associated with the United Nations.

Reflection Tip:

- * What does British Columbia stand to gain from its relationships with these countries?

Flow-chart a process in the organization to better respond to market needs.

- Draw a flow chart or diagram of all the steps involved in a business process.
- Identify the individuals or groups involved in each step of the process and make an effort to learn more about all of the individuals or groups involved in this process.
- Examine the process to see if it can be changed or streamlined to be more efficient in responding to market changes.
- Present your recommendations to the key stakeholders for feedback and support.
- Develop an action plan for any decisions based on your recommendations to respond to identified market needs.

Look at the effectiveness of your branch or organization and assess if the current approaches are still the best way to get the job done in terms of maximizing business opportunities.

- With your team members or colleagues, review and analyze the operation and processes performed by each functional areas. Identify the major operations and goals of each function.
- Examine each operation's current approaches. Ask the following questions:
 - ⇒ How did the current structure develop the way it is?
 - ⇒ Are there any roles and/or functions that no longer serve any purpose?
 - ⇒ What is currently working, and why?
 - ⇒ Where are the bottlenecks, duplication of effort, and the potential problems?

⇒ How is this helpful in maximizing business opportunities?

Identify your customer's critical issues and assumptions about the future.

- Study customer satisfaction surveys and external industry reports to analyze customer needs.
- Talk to customers on a regular basis about issues facing them, trends affecting them, and concerns they have about the future.
- Ask customers to share their strategic plans, and the assumptions their plans are based upon.
- Prepare a presentation for your branch, articulating your vision for targeted customer service.

Reflection Tips:

- * Given your understanding of your customer's vision, what can you do to help them meet their goals?
- * What is the relationship between your vision and the customer's vision?

Evaluate your contribution to clients.

- Develop a matrix charting your key clients and the services your organization provides to those clients. This matrix should consist of the current perceived benefits to the client of each service/product offering.
- Working with your team, use the matrix to assess the effectiveness of each service or product offering to each client group. Consider the following questions:
 - ⇒ what will be our clients' future requirements?
 - ⇒ what priorities should we focus on?
 - ⇒ what do we need to do to develop new services or product offerings? how can we make a difference for them?
 - ⇒ how should we communicate our strategy (internally and externally)?
 - ⇒ how can we test the strategy or policy with our clients before going ahead with implementation and new service offering development?
- Build a team action plan to address the priorities of the client and your organization. Assign responsibilities and monitor the team's progress.

Reflection Tips:

- * Once your action plan and monitoring system is in place, review both the process and content, and ask yourself the following:
 - was filling in the matrix difficult? if so, why do you think this was?
 - do you feel you and the team were asking the right questions?
 - did you involve the clients in the process? if so, what was their role, and did their involvement add value?
 - was the required information available?
 - are you seeing any short term results from the action planning process or its implementation?

* You may want to discuss your thoughts with client service teams and your colleagues, especially if you see the need for modifications to enhance your contribution.