Developing commercial awareness as an employability skill
Skills session
PLEASE MANUALLY INSERT VIDEO BEFORE PRESENTATION
"As professional advisers we help our clients solve complex business problems and aim to enhance their ability to add value, manage risk and improve performance."

Our business areas
- Legal
- Consulting
- Tax
- Actuarial
- Deals
- Technology
- Assurance

Clients
- Lines of service
- Regions
- Industries
What are your options when you finish school?
A bit about me...

- Presenters name
- Time at PwC
- Which area of the business
- Interesting personal fact
- Interesting client or project worked on
- Outside of PwC I like to...
What are we going to cover?

What is commercial awareness?

Business issues and the wider economy

Understanding the industry you wish to work in

Reflecting on your own commercial experience
What is commercial awareness?
Commercial awareness

What is it?

Knowledge of business issues and the wider economy;
And having the ability to form opinions/views on these issues

Understanding the industry you wish to work in;
E.g. the market position of the company you are applying to, the work you will do, the current issues facing that business

Viewing a situation with a ‘commercial’ focus and drawing on your own commercial experience;
E.g. work experience, club membership, society participation
Commercial awareness

It is a key part of the application process for many organisations...

... You need to show an understanding of the industry and role that you’ve applied for, and that you have a wider business interest to succeed in the job.
**Commercial awareness**

When will you need to demonstrate it?

- **Knowledge of business issues and the wider economy, and having the ability to form opinions/views on these issues**
  - At an interview

- **Understanding the industry you wish to work in (the position of the company you are applying to, the work you will do and the current issues)**
  - On an application form
  - At an interview

- **Viewing a situation with a ‘commercial’ focus and drawing on your own work experience**
  - On an application form
  - At an assessment centre
  - At an interview
Higher or lower game

How well do you know the economy?
Did you know...

11.2 billion servings of Coca Cola are poured every week around the world?

This produces global revenues of $48bn

But is the 2012 global revenue of Wal-Mart higher or lower than this figure?
How well do you know the economy?

**The game**
You have 5 minutes, in your groups, to assign a value to the five cards in the pack and to arrange the higher or lower arrows.
How well do you know the economy?

Card 1

11.2 billion servings of Coca Cola are poured every week around the world?
This produces global revenues of $48bn

But is the 2012 global revenue of Wal-Mart higher or lower than this figure?
11.2 billion servings of Coca Cola are poured every week around the world. This produces global revenues of $48bn.

Wal-Mart’s global revenues were $469bn in 2012. The highest grossing company is Royal Dutch Shell with turnover in 2012 of $484m.
How well do you know the economy?

Card 3

The value of goods and services produced by Switzerland in 2012 was $362bn. This is known as the country’s Gross Domestic Product or GDP.
How well do you know the economy?

Card 3

<table>
<thead>
<tr>
<th>Country</th>
<th>2012 $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>82,762</td>
</tr>
<tr>
<td>Europe</td>
<td>16,073</td>
</tr>
<tr>
<td>USA</td>
<td>15,653</td>
</tr>
<tr>
<td>China</td>
<td>12,383</td>
</tr>
<tr>
<td>UK</td>
<td>2,316</td>
</tr>
<tr>
<td>Switzerland</td>
<td>362</td>
</tr>
</tbody>
</table>

The value of goods and services produced by **Switzerland** in 2012 was **$362bn**. This is known as the country’s **Gross Domestic Product** or **GDP**.
How well do you know the economy?

Card 4

The **market capitalisation** of a company is its share price multiplied by the number of shares in issue. This is a good estimate for the value of the company. For **Apple** market capitalisation is **$500bn**.

The value of goods and services produced **Switzerland** in 2012 was **$362bn**. This is known as the country’s **Gross Domestic Product** or **GDP**.
How well do you know the economy?

Card 5

The **market capitalisation** of a company is its share price multiplied by the number of shares in issue. This is a good estimate for the value of the company. For **Apple** market capitalisation is **$500bn.**

The **NHS** budget in 2013 is or **$191m**
How well do you know the economy?

Card 5

The **NHS** budget in 2013 is **$191m**
Business issues and the wider economy
Business issues and the wider economy

Some things to keep in mind...

1. You can’t become an expert overnight – start taking an interest early!

2. Business is a wide area and what you’re interested in is personal to you

3. Starting the day before your interview is too late! We’d encourage you to start reading a broadsheet business section on a weekly basis over a longer period

4. It is how you view companies and the opinions you form that is important – we’re interested in your (informed!) point of view

5. A combination of a general business interest, specific research and your own past experiences is key
How to demonstrate commercial awareness

Hints and tips

• Regularly read business press, financial press or industry specific articles e.g. The Times, Economist, accountancyage.com
• Perform a SWOT analysis on an industry or company of interest (we’ll show you how later!)
• Read a company’s annual report
• Employers business websites
• Institute/Government websites
• Careers Service
Hints and tips

- Focus on stories that genuinely interest you as well as industry specific issues relevant to the sector you want to work in.

- Bear in mind how sectors and stories may be inter-related so you may also have to read around the subject – the more you read, the deeper your understanding will become and you will find it easier to form opinions and remain interested.
It is useful to have a grasp of some common business terminology:

Can you name six types of businesses?

<table>
<thead>
<tr>
<th>Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private limited company</td>
<td>Rolex, Lidl, Lego</td>
</tr>
<tr>
<td>Public limited company</td>
<td>Shell, Vodafone</td>
</tr>
<tr>
<td>Partnership</td>
<td>Local accountants</td>
</tr>
<tr>
<td>LLP</td>
<td>Allen &amp; Overy, PwC</td>
</tr>
<tr>
<td>Sole trader</td>
<td>Local builder</td>
</tr>
<tr>
<td>Franchise</td>
<td>McDonalds, Avis Rent-a-Car</td>
</tr>
</tbody>
</table>
**Business fundamentals**

**Business terminology**

1. Stock Exchange
2. FTSE 100
3. AIM
4. Bank of England
5. FCA
6. Going concern vs Administration/Liquidation/Insolvency
Understanding the industry you wish to work in
Why is it important to show you understand the industry and organisation you’ve applied to?
Understanding the industry you wish to work in

Ultimately the recruitment process of any employer is designed to find out:

1. Does this candidate know about the job they’re applying to do?
2. Will this person be good at their job and make our business more successful?

If you can demonstrate that you will view situations in a commercial way, this shows that you will be able to do the same in the job and helps to answer these questions!
Evaluating a company

If you can demonstrate that you will view situations in a commercial way, this shows that you will be able to do the same in the job and helps to answer these questions!

1. Understand the company you’re considering applying to and what they do
2. Demonstrate an understanding of a business issue you are interested in during an interview
3. Having an understanding of wider business issues is key to understanding what is important to individual companies
Evaluating a company

What?  Why?  How?

What is the business?
What issues are they having?
Why has this happened?
UK and global economic trends
How could this be resolved?
How could PwC help the company?
Evaluating a company

Internal

Strengths
Weaknesses

External

Opportunities
Threats

The company

The industry
Global revenues

PwC  $31.5m
Deloitte  $31.3m
EY  $24.4m
KPMG  $23m

PwC in the UK

- The UK economy is not growing at the moment
- This means a downward pressure on what we charge clients for our services
- We can still grow our revenues by increasing the volume of business
- We can still increase profits by controlling costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>£2,621 m</td>
<td>7%</td>
</tr>
<tr>
<td>2011</td>
<td>£2,461 m</td>
<td></td>
</tr>
</tbody>
</table>

Source: PwC Annual Report

Developing commercial awareness as an employability skill
PwC
Leading firm
UK Brand Health Index

Note: 2010 and 2012 are based on rolling data

Undifferentiated
Lag
Lead

Developing commercial awareness as an employability skill
PwC
Exercise: Evaluating a company
Your task

The CEO of a FTSE 100 company has woken up to a headline straight out of their nightmares:

**BREAKING NEWS: NO ONE has bought FTSE 100 companies products this week!**

It’s a *catastrophe*! The CEO is in turmoil and needs answers NOW: they’ve hired your group to conduct a SWOT analysis of their company before they meet their shareholders. You have 20 minutes to do this and you’ll need to brief them ahead of their meeting by presenting your analysis and providing your advice on what strategy the CEO should take to resolve the issue.
Companies and issues

Possible companies:
- Coca-cola
- Burberry
- Diageo
- Morrisons
- Next
- Rolls Royce
- Unilever

Things to consider
- Austerity measures by the UK Government
- Historical low interest rates
- Tax scandals
- Brexit
- Emerging economies
- Growth of online retail and decline of the high street
Reflecting on your own commercial experience
Commercial experience

Commercial experience could be work experience, but it doesn’t have to be...

You can demonstrate how you have viewed a situation commercially through a number of examples:

- Have you suggested an improvement to the way things are done at work?
- Have you negotiated sponsorship for your team or sports club?
- Have you increased membership to a club or society through marketing and increasing awareness?
- Have you held a position of responsibility – prefect, school council member?
Work experience

If you include a commercial element to answers to other interview questions, this can make your examples more relevant so the interviewer doesn’t have to ask a forced question around commercial awareness.

‘I joined my local Badminton Club in Year 13 and became committee member during my second year.

Previously we charged our members £10 to join at the beginning of the year. I managed to negotiate sponsorship from a large accountancy firm for £1,500 for the year which meant we could offer free membership.

We spent £1,000 of the money on equipment and travel costs as in previous years, but we set aside £500 to buy more promotional material which we hope will help increase our membership numbers next year.’
Relating your own **experiences** and your **understanding** of a company/industry to the events and issues going in the **wider business context** will allow you to have an intelligent conversation with an interviewer, spark debate and give you the edge in an interview.
How it all fits together

And remember....

Having all of this knowledge is great, but can you answer the question:

“So how does that affect us?”
Work experience opportunities

**Sandwich or placement students**
An opportunity to develop a broad range of business skills, enhance your commercial thinking and experience our culture. On this 11-month work placement, you’ll be a key member of the team, working on real client engagements. With a dedicated People Manager and Buddy, you’ll be supported to reach your full potential.

**Penultimate year**
Working alongside specialists in your chosen business area, you’ll be a valued member of the team. You’ll work on client projects for 6-8 weeks to give you the best insight into what we really do. You’ll discover how the work we do really matters – to our clients, the economy and the wider community.

**All years**
Spend a highly interactive day with us and learn about the work we do. It will help you decide which of our graduate career opportunities is right for you.

**First to penultimate year students**
During this 2-day interactive work placement, you’ll get to meet our people and hear what it’s like to work with us. You’ll find out about the business areas you could join, gain an understanding of our business purpose, and meet other students who are thinking about applying.

**Year 1 and penultimate year**
You’ll find out what it takes to make it to the very top of PwC from the perspective of one of our female leaders. You’ll also get an insight into what we do day-to-day, by partnering with an associate on our current training scheme, attend client meetings and experience working life with us.

**All years**
This 5-day, paid interactive work placement is aimed at people with a passion for technology. You’ll experience first-hand how we’re helping our clients to create a business strategy fit for the digital age, one that is able to withstand and respond to cyber threats, and capable of harnessing the business benefits of innovative and effective data management.
How to apply…

1. Research
2. Get online
3. Assessment Day
4. Final stage interview
5. Offer
6. Pre-employment screening
7. Before you join

pwc.com/uk/careers
Take the opportunity of a lifetime

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/PwCCareersUK
/company/pwc-uk
/CareersPwC
Enter the National Schools Employability Challenge!

❖ Register now for your chance to win!
❖ Share with your friends and you could win an apple watch!
❖ Could you be one of our monthly champions and join us at the Final on the 20 April 2017!
PwC’s online e-learns
www.pwc.com/uk/careers/employability

Psychometric e-learn
Try our e-learn, designed to give you an insight into psychometric assessments and support your preparation

Interview e-learn
Watch our videos on this interactive e-learn to help you prepare and understand what’s involved in an interview

Psychometrics
Why are they used?
How shall I prepare?

Interviews
What to research?
What to wear?

Click here to launch the e-learn

Click here to launch the e-learn
Questions...?