

FINANCIAL TIMES Corporate



EMBEDDING COMMERCIALITY WHITE PAPER

Practical guidance on how firms are growing
professionals' business awareness

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FINANCIAL TIMES
It is what you know

The challenges: developing commercial skills of technical advisers

In an uncertain business environment, clients increasingly expect professional advisers to identify future risks and deliver commercially-savvy advice to keep them ahead. As a result, business acumen or commercial awareness has become a critical factor in the success of individuals and organisations; however, it is often a capability most in need of development.

In 2012, the Financial Times (FT) commissioned a report investigating the relationship between professional advisers and their clients, in collaboration with Meridian West and the Managing Partner's Forum (MPF). This report was based on 569 respondents from around the world. It revealed that clients want their professional advisers to deliver more commercial advice as shown by the following statistics:

1. A lack of understanding of clients' business is the biggest factor that damages client relationships – cited by 52% of clients – ahead of provision of inappropriate advice (45%) and slow response to communication (45%).
2. However, only one third of advisory firms provide training on business and commercial issues.

To investigate how leading firms are tackling the issue of commerciality, the FT commissioned further research. The goal of the research was to gauge the extent to which commerciality remains a high priority for firms and how it is linked to business outcomes, in an effort to highlight what professional firms are doing to address commerciality gaps, and to identify best practice for improvement.

The research was extensive, with over 1,000 participants from around the globe – 457 advisers and 625 clients of professional service firms. This was supplemented with 28 in-depth interviews with a mixture of fee earners and learning and development (L&D) personnel at professional firms, as well as buyers of professional services.

This white paper, written by Longitude Research, relies on our primary research to investigate perceptions of the FT and the role it can play in cultivating commerciality among professionals.

By learning more about their clients and the industries in which they operate, fee earners can engage more effectively with clients, identify new opportunities and build better client relationships. As part of Pearson, the world's largest education provider, the FT is used by organisations to address gaps and develop commerciality skills.

This paper goes on to explore this topic in more detail and demonstrate how the FT is used by individuals at all levels of an organisation to develop their business acumen for more effective decision-making, improved communication across silos and better client service.

Commercial awareness, or business acumen, has been defined by the FT Lexicon as a “keenness and speed in understanding and deciding on a business situation.” It can be further broken down into the following components:

Market awareness

An in-depth knowledge of the industry and markets in which the business or client's business operates.

Strategic perspective

The ability to take a 'big picture' view of the business, its strategic objectives and the connections between customers, suppliers and competitors.

Financial understanding

An understanding of the financial flow of the business, performance metrics and the commercial pressures facing a business or industry.

The importance of commercial awareness

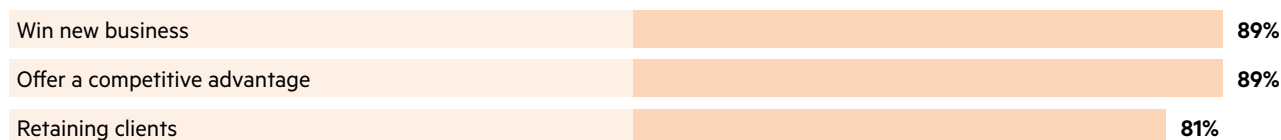
Clients are increasingly demanding financial and legal advice and solutions that are tailored to meet the specific business pressures they face. Hence, commercial awareness is increasingly seen by professional firms as a differentiator in a competitive market.

More than four-fifths (83%) of clients of professional service firms said that a firm's commercial awareness is important when deciding whether to select them, while three quarters (72%) said it is an important factor when deciding whether to retain their services.

The role of commercial awareness in driving business outcomes

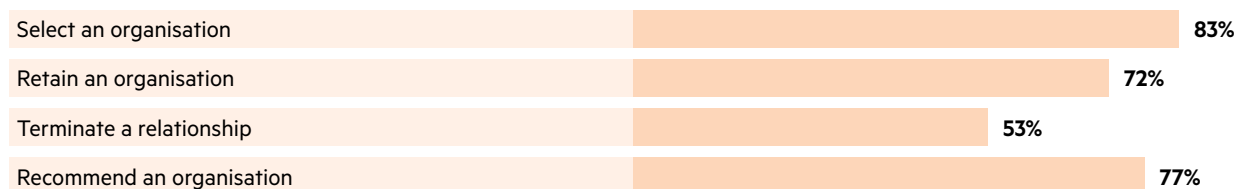
Questions posed to professional service advisers:

Please rate the importance of commercial awareness in achieving the following business outcomes?



Question posed to clients of professional service firms:

Please rate the importance of a professional service firm's commercial awareness when deciding to:



Equally, advisers agree commercial awareness contributes to achieving business outcomes such as client wins and retention. 89% believe it helps them win new business, while eight out of ten say it helps client retention. By being well informed, professionals find it easier to engage with clients – either in terms of winning new business or providing advice in market context; thereby increasing the value they deliver.

Improving the level of commerciality within a firm is not a simple task, however. Overseeing the transition of professionals from inward-looking technical experts to client-centric commercial advisers will involve encouraging professionals to broaden their business experiences, as well as implementing commercial training and development programmes.

This cannot be achieved overnight. More than half (53%) of our survey respondents said that professional services firms are currently hindered from improving their commerciality by education and training that focuses too narrowly on technical skills, rather than broader business knowledge. Pressures created by profit targets are limiting progress here too – 44% of respondents said the need to account time to billable hours was holding them back. The third most significant

“Our real competitors, the competitors that we’re up against time and again, can arguably do the legal work as well as us. So you have to differentiate on another ground, and part of our differentiation is that, actually, we understand your business better.”

Head of Client Relations,
Leading International Law Company.

barrier to improving commercial awareness was a lack of confidence to engage in broad business conversations with clients, cited by 36% of respondents.

As these firms begin the process of enacting deeper organisational change to address these deficiencies, they will also need to consider how a speedier impact can be achieved.

Find out how an FT corporate licence can help you engage better with clients and prospects at ft.com/corporate

The barriers to commercial success

Question posed to advisers:

What is preventing you/and your firm from being more commercially aware?



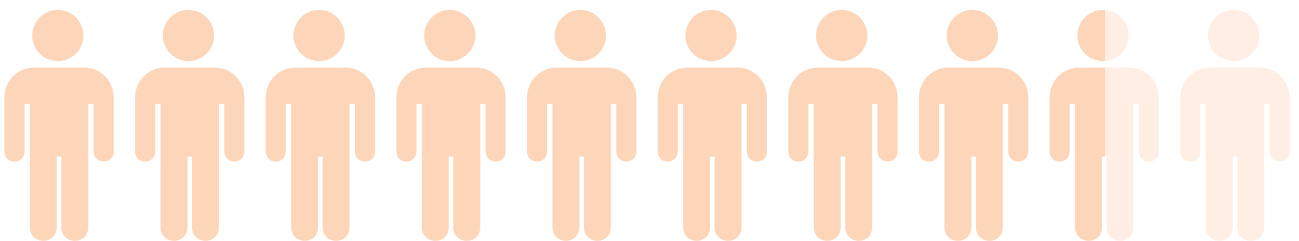
FT accelerates commercial awareness across all levels of an organisation

The creation of more ‘T shaped’ advisers, who understand clients’ markets and can apply this knowledge across multiple disciplines, has become a key driver of growth for advisory firms. Organisations around the world are using the FT as a practical tool to help their fee earners develop a more commercial skill set in addition to technical competencies. By reading the FT, advisers develop a comprehensive understanding of their markets and industries, learn about the world of business and help ‘join the dots’ across multiple disciplines and jurisdictions to put together the big picture. In doing so, they can engage more effectively with clients, identify new opportunities and build better client relationships. One respondent said. “The FT will help advisers understand not only our business but the wider business world, thus helping them see beyond the confines of the domain they’re working in.”

Reading the FT helps me be more commercially aware

Question posed to advisers:

To what extent do you agree that reading the FT helps me become more commercially aware?



84% of advisers agree that reading the FT helps them be more commercially aware

Over four-fifths (84%) of the advisers we surveyed said that reading the FT helps them to be more commercially aware, while 74% of client respondents said that it would help their advisers become more commercially aware. As one survey respondent reported:

“The FT is the sort of business tool which organisations should use more extensively to develop commercial awareness. It is well written and provides intelligent and credible points of view that can be used by people as the basis for discussing and shaping their own views.”

Department Head, Travel & Leisure, UK.

Client relationships

A strong understanding of a client or potential clients' commercial objectives, and the business realities within their sector, is crucial to developing long-term profitable relationships.

The FT can serve professionals at different stages of the client relationship journey, as well as serving their evolving commercial awareness needs throughout the different stages of their careers – from graduate or induction programmes to fast track schemes for high potential employees and senior leadership courses.

Winning business

Businesses today demand different types of skills, new ways of thinking and new capabilities. At the first stage of client engagement, when a firm is trying to win new business, clients will be swayed not only by technical expertise and cost, but also by an understanding of the business context in which their services are required. As one survey respondent explains: "When bidding for a new client we can use the FT to research the client, their competitors and their target markets quickly and easily, therefore sounding more knowledgeable about their commercial position," CEO, Management Consulting, Singapore. While an adviser that we surveyed says:

"The FT provides the intelligence to widen my work and bids into international markets."

Director, Accounting and Advisory Organisation, US.

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If a firm understands the environment in which a client is working, it is far easier to diagnose their problems and propose how best to resolve them. 79% of advisers stated that the FT is a useful resource in understanding specific issues relating to their business and industry. This was echoed by clients. Over 70% stated that reading the FT would enhance adviser's understanding of their business and the industry they operate in.

As a resource, the FT can provide detail and insight on a particular sector through its news and analysis that can give advisers the context they need when assessing solutions for potential clients. The FT also regularly calls upon industry leaders and other expert commentators to deliver their opinions on the latest issues affecting the sector – such as incoming regulations and debates around policy direction – putting it at a distinct advantage when it comes to understanding the key issues that businesses face.

At the same time, this information can assist advisers in anticipating risks and identifying opportunities for clients.

This is evident from our survey responses, with 68% of advisers stating the FT helps them to recognise risks and regulatory issues their client's business may be facing, and 43% reporting that it helps them to spot business opportunities. "Much of my work requires a sense of the contemporary, and whether the trends are of the moment, or have much longer implications. By reading the FT on a regular basis, I have an understanding of whether something is a trend of significance or a blip," says one survey respondent.

Arming themselves with the knowledge delivered by the FT enables a firm's professional service providers to align their proposition more closely with a prospective client's commercial objectives, and imparts confidence in the client that the firm has the specialist knowledge they need.

Unrivalled insight: FT helps Hay drive business development

Global management consulting firm Hay Group, which operates in 49 countries working with clients in every major industry, views the FT as an integral tool in helping it to acquire and retain clients.

As a consultancy firm, it is paramount that Hay's people are able to create and build extremely strong client relationships. The key to doing so, according to Hay's Knowledge and Information Manager, Gary Spokes, is "acquiring a deep understanding of client businesses and local markets".

A key part of Hay's strategy to achieve this is to tap external information sources for timely insights into developments affecting their clients. The firm opted to make the FT part of its information strategy in a bid to deliver this. FT.com has now been deployed to all consulting practices in Hay Group. They access FT.com on a daily basis and use tools such as email alerts and briefings for updates on specific topics or companies – either via mobile devices or laptops.

While FT.com has become an integral tool to support client engagements and discussions with senior leadership teams, it has a vital role in business development too. "The FT is a valuable tool for providing timely leads into the issues facing our clients," says Jennie Wright, Head of Marketing at Hay Group.

The firm also takes advantage of news and special reports on FT.com organised by country and industry, to help research prospective clients and understand the potential opportunities in a market.

FT tools:

Getting ahead of client concerns

The FT delivers the information that professional services advisers need to keep on top of critical issues impacting their clients in an increasingly tailored manner.

Economic calendar

The FT's tear sheets and interactive calendar can help advisers to understand a company's share price and overlays, which shows company articles tracked and published against share price at the time.

Special reports

These reports provide time-saving overviews of key business topics, countries and industries.

Theme and topic tracking

Firms can follow specific keywords that instantly notify them of the latest happenings related to their client's industry and business.

Email alerts

Customised e-alerts enable advisers to keep on top of news related to their client or prospect, their industry, and the markets they're operating in.

Building and maintaining relationships

Once a relationship has been established with a client, professional services firms must work to build their trust in order to prolong the relationship. Ultimately, the aim is to become the "go-to" firm for a particular client on a given area.

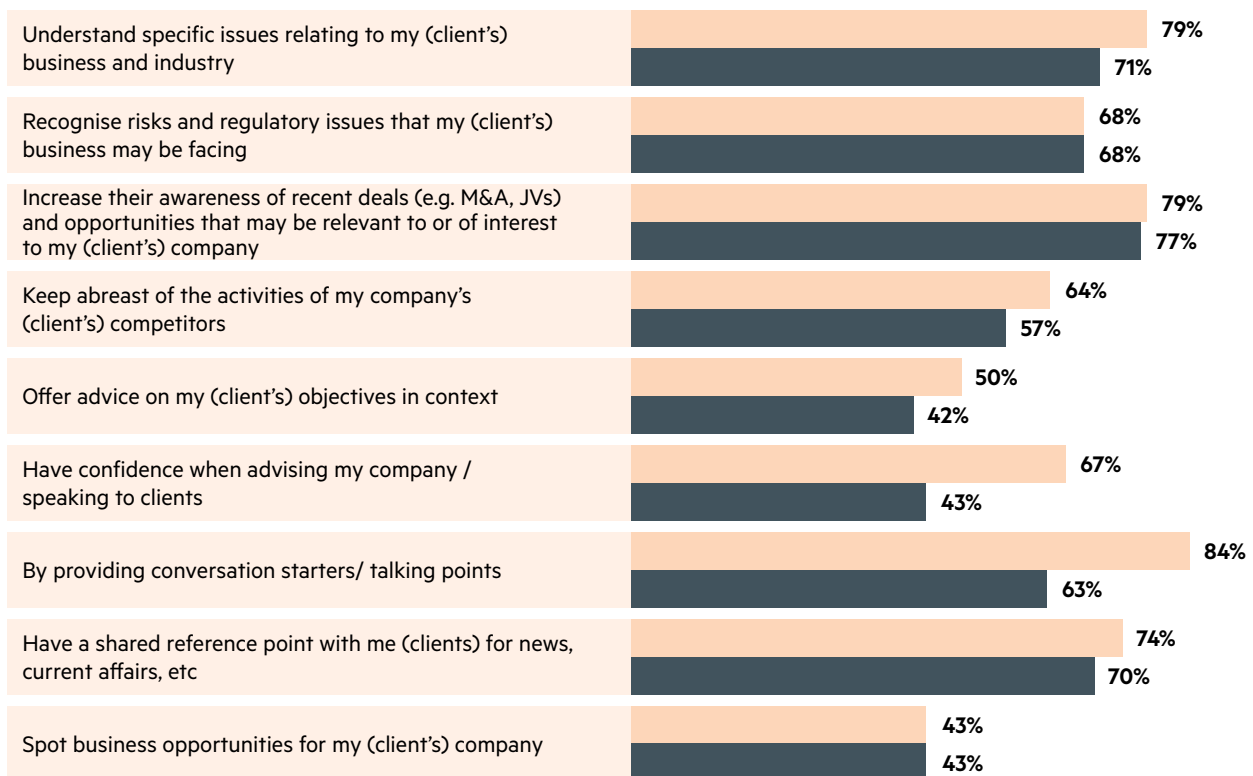
Succeeding in this aim involves staying at the cutting edge of the client's industry, and keeping up to speed with trends and developments that will open up new opportunities and threats for those clients.

The FT can provide firms with a strong platform for this. In our survey, 79% said FT intelligence can help to increase awareness of recent deals and opportunities that may be of interest to clients; and 84% of advisers said reading the FT helps to give them talking points and conversation starters that will aid them in strengthening relationships with clients.

"Advisors tend to focus on the technical aspects - great advisors have the big picture that benefits clients. This comes from being widely read using the FT."

Partner, Financial Services, US.

How reading the FT helps me/my advisers



Advisers Clients

Nurturing client relationships can often mean something as simple as picking up the phone to a client to reassure them about a burning issue in their sector.

In 2014, the FT / Meridian West report Restoring Client Trust, found that 73% of high net worth individuals who rated their advisers in the wealth / asset management sector as outstanding, did so simply because they had kept in regular contact.

The FT provides talking points and conversation starters to ensure that professionals remain front of mind with clients – and most importantly, that they do this at the right times and in relation to the right issues. For example, the FT’s Gift Article tool simplifies the sharing of articles of relevance with clients, allowing you to share up to 10 articles a month through email to non FT subscribers.

Many clients will be very receptive to this. “We encourage the building of the relationships with our professionals. I am active in keeping that relationship and also developing long term relationships, because it’s only if they understand us that we can get the proper help that we need,” says a UK buyer of professional services. And as one of our client survey respondents says of advisers: “If they don’t read the FT already, I wouldn’t even be talking to them!”

“The FT provides context for client conversations and advice. Our clients don’t want to talk about the law, they want to talk about their business, so it’s important that we remain well informed about the context.”

John Tucker, Partner,
Banking Practice, Linklaters.

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**Catalyst for conversation:
Linklaters uses FT to build relationships**

Global law firm Linklaters says the majority of its corporate, finance, and commercial work for clients has a cross-border element. And in today’s complex international markets, the firm needs a more sophisticated approach to building client relationships.

Linklaters recognised the need to make a fundamental shift from being partner-centric technical experts to client-centric commercial experts. It has turned to an FT corporate subscription to provide its lawyers with the knowledge they need to engage clients in the types of conversation they’re interested in.

Meanwhile, capital markets practice partner Paul Lewis is taking a targeted approach to relationship building through applying information provided by the FT. “The FT is a catalyst to conversations, it can act as a spark,” he says. “We look for potential connections when reading a story in the FT and then discuss with colleagues and clients to see what might come from that. And the market insight and market knowledge in the FT is superb,” he says.

Read how organisations worldwide use the FT as a means to engage in conversation and foster client relationships [ft.com/corporate](https://www.ft.com/corporate)

The FT's analysis of different industry sectors can also prove invaluable for specialist professional services firms in deepening ties with clients.

For instance, special reports that deliver overviews of specific industries or business topics can help to ensure there is a two-way flow of commercial insight during client meetings. Clearly, the FT has a strong focus on banking and finance to offer as well. "For economic insights, the FT is, for me, by far and away the best place to go. And, for anyone operating in the city, it's a compulsory read," says Julian Howard, Managing Partner, MacFarlanes, UK.

Meanwhile, a former buyer of professional services at a multinational pharmaceutical corporation, says that "not only is the FT perceived as having its finger on the pharmaceutical sector's pulse from a content perspective, but creates networking opportunities within the sector too."

"The FT is viewed as a brand with high integrity and deep knowledge in the sector – its life sciences conference in London is an example of that in action,"

Buyer, Multinational Pharmaceutical Corporation, US.

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FT tools: Strengthening ties

The FT provides a range of tools to deliver content and information in a way that provides greatest assistance to professional services advisers as they seek to strengthen relationships with clients.

Content sections

View content by industries, sectors, regions and companies to keep on top of events that may affect clients' or prospects' day-to-day business, for instance, regulation, market movements and competition. This will enable firms to demonstrate in-depth knowledge about clients that will make them feel valued.

FT Headline API

The Headline API provides flexible access to the broad range of content published by the FT, so you can define the information that is most relevant to your practice areas or fee earners and integrate it into your existing workflow solutions.

FT News feed app for Salesforce

Stay abreast of global company and sector issues affecting your clients and prospects, as they happen, by integrating relevant public listed company and industry headlines from the FT seamlessly into your CRM systems, without the need to switch applications.

Gift Article tool

Stay front of mind with clients using the FT's Gift Article tool, which enables you to share FT.com articles with clients, without the need for them to have an FT digital subscription. They'll be able to read the full article for free without having to create an FT.com account.

As part of Pearson, the world's largest education provider, the FT is used across organisations to address learning goals. Visit ft.com/corporate to find out more.

Career progression

Professionals have different development needs at different stages of their careers and, in order for firms to extract the most value from their people, they need to understand and cater for those requirements.

For example, newly qualified professionals need to focus on commercial awareness if they want to succeed. Underlining this, 50% of our survey respondents said that they would increasingly seek to recruit people with industry experience. As commerciality becomes an increasingly important attribute, trainees must work hard to develop a broad basic knowledge and understanding of how business works. While firms are still working out best practice in such development, the FT can serve as a helpful tool to bolster trainees' knowledge and bring them up to speed faster. As one survey respondent noted: "The FT provides a library of global learning."

"When I talk to law students they inevitably ask me, 'What do I need to do to get hired?' I often tell them to read the FT."

**John Tucker, Partner,
Banking Practice, Linklaters.**

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As professionals progress within a firm, they will begin to manage projects and need to be able to speak the language of clients and particular sectors. And, at later stages of their careers, as they move into more senior management and leadership roles, it will be important to maintain awareness of the latest industry and market shifts around the globe to aid identification of business development opportunities. The box below outlines several ways in which the FT can serve professionals in a learning capacity as they move through these phases of their careers.

For early/mid career: Use induction and training programmes to help new hires understand the business across multiple disciplines and regions.

For client facing teams: Take advantage of user workflows and systems to create on the job learning materials that build the confidence and credibility of sales executives.

For technical specialists: Complement technical expertise with a broader commercial skillset to make a bigger impact on your or your client's business.

For leadership: Ensure your senior managers and rising stars are internationally aware and have the business savvy skills to take your organisation forward and lead effectively.

FT learning solutions

Topics: Filtered information on the most important issues impacting businesses around the world.

Unbiased: An independent and neutral perspective to inform decision-making.

Coverage: Daily business briefing to help 'join the dots' and develop a strategic perspective.

Case studies: Extensive archive of material to build case studies and understand trends.

Newslines: Notes and comments from leading business school faculties from around the world.

FT Mobile: Access to FT journalism on the move and for learning outside of office hours.

Explainers: Custom starter guides for key topics/site sections based on your requirements.

Implementation: Demos and training sessions to help your team to support the service roll out.

Tracking progress: Regular reporting so you can understand how much users are engaging with the material.

Mr. Howard says that the FT is important in helping him to manage the business more effectively. "I read the FT every day, primarily for insight into what's going on in the markets, for the economic indicators and forecasts, and insight into clients, the sorts of things that I need to keep an eye on in running a firm," he says.

At the same time, experienced professionals are expected to impart more specialist knowledge, and possess more leadership and consultative oriented skills. Following the FT closely can not only help professionals to keep their knowledge current, but can provide profile building opportunities too. As a respected, experienced adviser, commenting on the latest developments in a sector can spark new client conversations. "There's no question that if a particular article in the FT is pertinent to one of our businesses, I would phone the lawyer, the accountant or the advisers within 24 to 48 hours, most definitely," says a buyer of professional services in the UK.

"The FT provides an impartial holistic view that aids the development of vision and strategy."

Partner, Health & Pharmaceuticals, US.

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Credibility and reach

For professional services firms, ensuring credibility within a specific sector, and of its advisers' knowledge, are of paramount importance.

At the same time, in today's globalised economy, more firms than ever are working for international clients that demand professionals with a global outlook.

A large part of establishing that credibility is clearly demonstrated through an adviser's training and academic credentials. But this is reinforced through the interactions clients have with those professionals on a day-to-day basis, which means supplementing that expertise with current knowledge from a credible source has huge benefit. One respondent argues that the FT is a key resource for professionals in this sense. "It [the FT] is obviously more credible – anyone can put something on a website and Google will find it – but you know with the FT that it is consolidated, accurate, timely and reliable," he says.

Professionals obviously want to enhance, not damage, their standing in the eyes of clients, so they need to be stringent when selecting sources from which to build their knowledge.

"Having many clients in America, Africa and Asia, it is great to be able to suggest that they see the world from different viewpoints. The FT is brilliant in its coverage of global issues and offers a great balance to regional news, which may let their bias show."

Partner, Financial Services, US.

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Its global coverage means that the FT is an effective means of obtaining information across international markets without the need to scan across multiple publications.

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"If a story is in the FT, I would expect it to be thoroughly researched, and have an opinion, so I think it's the trust in the brand actually, that it has some credibility," says Nigel Spencer, Global Director of Learning and Development at Reed Smith.

The FT stands above other information sources as far as advisers are concerned because it provides the assurance that its content is produced by highly-trained journalists, with a reputation for attention to detail, integrity and expertise in their field. The FT employs over 600 journalists to do a daily global information search, filter out noise and add insight. At the same time, the strength of the 125-year-old FT brand means its journalists gain direct access to key influencers around the world.

The global reach of the FT is highly valued by advisers too, as they find their work has an increasingly international focus. "I think especially for the big four, we are seeing a more global approach to service offerings – this is becoming a very attractive option for the young accountants, as well as the great differentiator in the market," explains Niels Ter Mors, Global Firm Wide Learning Leader at Ernst & Young (EY). Its global coverage means that the FT is an effective means of obtaining information across international markets without the need to scan across multiple publications. As one of our survey respondents explains: "Having many clients in America, Africa and Asia, it is great to be able to suggest that they see the world from different viewpoints. The FT is brilliant in its coverage of global issues and offers a great balance to regional news, which may let their bias show."

Discover how the FT can help client facing professionals expand their existing bank of business and drive growth [ft.com/corporate](https://www.ft.com/corporate)

Conclusion

Businesses world-wide have some significant challenges to overcome as they seek to foster a greater degree of commerciality within their professionals.

Furthermore, whilst business acumen is seen as a critical capability, few firms know how to define or measure performance in this area. The FT's research has highlighted the potential value of a measure for commercial awareness, which the FT is currently exploring with clients.

For many, to develop commercial skills, a cultural shift will be needed so that more time may be allocated to developing a better understanding of a client's business, rather than solely focusing on maximising billable hours at all costs. At the same time, professional qualifications and development training will need to be re-examined to make commercial awareness a core focus area.

Incentivising commerciality may also prove a necessary means of embedding this behaviour. Implementing such measures will, however, involve a long process of trial and error, not to mention significant costs. On the other hand, perhaps the easiest, simplest and fastest way of improving commercial awareness is to ensure that more professionals understand the business and economic context in which they are working.

Organisations world-wide rely on the FT as a source of accurate, well researched information for understanding pertinent business topics and forming opinions. It delivers the strength of analysis and insight that professionals need to better understand the sectors in which their clients are operating. When combined with its international scope, its ability to draw upon industry leaders, and its renowned credibility as an information source, it represents a very practical solution to the commerciality deficiencies that concern today's professional services firms.

In helping individuals develop their business acumen, the FT contributes to the achievement of critical business outcomes such as increased client wins and retention rates.

Furthermore, as learning has become more digital in nature, the FT has introduced new platforms and tools to help employees gain the know-how they need from the convenience of their own office or on the move. Access via desktop, mobile, tablet or integrate FT content into your workflow with over 40+ third-party channel partners and a suite of APIs. The FT allows you to choose the content that is most relevant and integrate it into the learning management systems or applications that suit your organisation best.

Irrespective of the way people learn, the FT serves as a proven business tool to accelerate commercial development across all levels of an organisation.



Want to find out more?

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It is what you know

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