

THE
NEW
MANAGER'S
SURVIVAL GUIDE

Everything You Need to Know
to Succeed in the Corporate World

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author of The Product Manager's Desk Reference

THE NEW MANAGER'S SURVIVAL GUIDE

**EVERYTHING YOU NEED TO KNOW
TO SUCCEED IN THE CORPORATE WORLD**

STEVEN HAINES

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INTRODUCTION

I love business. Every day when I wake up, I switch on the TV to the business news channel, read through the *Wall Street Journal*, and scan the stories on Business Insider. I'm always trying to learn what business leaders think and how businesses achieve success—a mindset I'd like you to be able to adopt.

Many of you may be newer to the corporate world and find it a fascinating place to work. Based on my own experience and from what I learn in my research, challenges abound. You may be asked to work on projects that don't make sense or may witness business politics that just doesn't seem productive or logical. Business people who work in mid- to large-sized companies are often admonished by their bosses to deal with these issues, which is easier said than done. From my standpoint, it's easier to adapt and be productive when you know what you're working toward, expect the unexpected, and adopt a proactive mindset.

Business can and should be simple to understand, and that's why I've written this book. I've been involved with the world of business for decades and have accumulated knowledge, experience, and wisdom that I'd like to share with you. This is a book for you if you:

- Are newer in your business or managerial career and you need a concise guide that will show you how the gears of a business operate in any middle-to-large sized company
- Worked in a functional area of a company (e.g., engineering, operations) and will be taking on a business or management role
- Are in the process of entering the corporate world of business and will benefit from a resource to help you hit the ground running

Some people have an innate understanding of all things business, some do not, and others are somewhere in between. Some of you already

work in a business role in a corporation, and others aspire to. Regardless of your role as a business person, I can tell you that leaders expect a lot. They want their newer managers to focus on the “big picture” of the business, cultivate great relationships across the enterprise, and contribute to the advancement of the firms’ goals. In the overall scheme of things, managers are expected to understand how the business works, how to get things done, and how to influence others who don’t work for them.

Business acumen is the term used to describe a person’s understanding of various dimensions of a business that are “in play” as situations arise. This “business common sense” is built up over time, just like practitioners such as surgeons, musicians, or pilots get better with practice. My hope for you in this book is that you’ll gain an appreciation for the interconnectedness of the parts of a business so that you can recognize the signals as various situations arise, and figure out what to do to get things done. My role as guide is to accelerate your journey. As you absorb what’s contained in these chapters, some content will be familiar to you based on your own experience or what you learned in school. However, you’ll derive the best benefit when you can see how to knit those areas together with new thoughts and ideas. This mindset will add to your expertise, resourcefulness, and confidence.

HOW TO USE THIS BOOK TO IMPROVE YOUR BUSINESS ACUMEN

I’ve written this book partially as a business practitioner’s handbook, to help you view various dimensions of a company, and partially as a managerial development work tool, so that you can take direct action as required. How you use the book will depend on your experience and motivation. For you to gain the best perspective to start your work, I’ve summarized the 12 chapters contained in the book:

CHAPTER 1—STARTING OUT: ASSESSING YOUR BUSINESS ACUMEN

If you don’t know where you are and where you want to go, how will you know what to do? This is the chapter where I’ll define the key dimensions of business acumen and why they’re so important. I’ll also

introduce you to a tool to help you assess your business acumen, which you can use to create a purposeful professional development strategy.

CHAPTER 2—FINDING YOUR WAY AROUND THE ORGANIZATION

Working in a company can be made easier if you know how the company makes money and how it's organized, the people who work there, and what makes them tick. While you may think it's simple to figure out who's who by looking at the organization chart, savvy business people need to figure out how to navigate the informal organization. They must create great working relationships while earning trust and credibility. This chapter will provide you with practical tools to help you chart your path.

CHAPTER 3—YOU CAN'T DO IT ALL YOURSELF

It's generally known that when people with different skills are brought together to work on a team, everyone benefits. This is easier said than done. I'll guide you by explaining various team structures and describing essential team operating paradigms. I'll then explain the importance of team leadership and collaboration, which is vital to business efficiency and competitiveness.

CHAPTER 4—MONEY IS NOT A FOREIGN LANGUAGE

In fact, money *is* the language of business, so I'll provide you with a basic overview of business finance so that you can get your bearings and establish a game plan to get your mind into the numbers game. To achieve this, I'll explain the fundamentals of finance and describe the key financial statements you'll need to know about. I'll also demonstrate why budgeting and financial planning is critical to aligning others in the organization, and in tracking progress.

CHAPTER 5—LEVERAGING PROCESSES TO GET THINGS DONE

Throughout your business career, whether you follow prescribed documentation or not, you will leverage processes to get work done. These processes lay out things to do, interdependencies between people, and results to be achieved. Some people feel that processes can be overwhelming and unwieldy. Fortunately, I'll show you how to understand

how you might be able to focus your efforts on simplicity and efficiency so that business resources can be put to the best use.

CHAPTER 6—USING DATA TO SOLVE PROBLEMS AND MAKE DECISIONS

Businesses run on data. It's a premium fuel that gives everyone in the business the ability to make plans, uncover and solve problems as they arise, steer the business, and keep things moving and growing. After all, no one wants a stagnant business. This is a chapter that will offer you the tools and wherewithal to understand different types of data, where it comes from, and how it's used. Then, I'll introduce you to an interesting method to help you use data to find solutions to problems and make better business decisions.

CHAPTER 7—MASTERING MARKETS

Most people have an innate view of markets. You know this because, as a consumer, you're involved in markets every day. However, the simplicity on the surface masks the complexity of interactions between customers and competitors. Business people must be cognizant of market dynamics, so I'll make this topic easy to understand by characterizing the key aspects of markets and showing you how they're studied and how insights are derived—all of which contribute to the strategy of the company.

CHAPTER 8—SETTING DIRECTION WITH STRATEGY

People who work in a business, just like people who play on a sports team or perform in a show, need to know what they're working toward and why. Everyone needs a goal and a path to achieve that goal. This chapter supports you with the essential context required to understand the foundations of strategy and strategic planning so that you can contribute to the future direction of the company.

CHAPTER 9—UNDERSTANDING PRODUCTS

This chapter is designed to help you establish important linkages between market insights, strategies, and the ideas for innovative products. You'll learn that a product is anything that's sold—regardless of whether it's tangible or intangible. I'll show you how products are

organized in a company and how they're brought to life with a business case—with recommendations on how you might pitch a product idea. Further, I'll share some areas that are important for business people to know about, including product design, make-versus-buy analysis, project management, and intellectual property. Who knows, you may be inspired to be a product manager one day!

CHAPTER 10—MARKETING: THE FULCRUM OF THE ORGANIZATION

As a consumer, you experience marketing every day. But what goes on in the marketing department of your company, and why is it so important? In this chapter, I'll explain the nuts and bolts of the marketing function in terms of what it does for the company. This includes inspiring dialogues with or between customers, attracting customers to your company and its products, creating a remarkable experience, and producing content to inform customers so they can make buying decisions. In the end, marketing helps bring the business strategy to life.

CHAPTER 11—ASSESSING BUSINESS PERFORMANCE

All the best plans and programs are rendered useless if a company cannot track how well it's doing. In this chapter I'll knit together much of what I covered in the book to place business performance center stage and in the front of your mind. Why? Because in business, everything boils down to execution on plans and profits earned. You'll learn that precision analysis and a keen eye allow business people to associate data-driven measurements that bring the state of the business into clear focus so that new plans can be imagined and put to work to keep the business growing.

CHAPTER 12—YOUR PROFESSIONAL DEVELOPMENT STRATEGY

In Chapter 8, I will explain the importance of business strategy. In the same vein, you will need to develop a purposeful professional development strategy to keep your business career on track. This brief chapter will provide you with the ability to integrate what you learned in the book with what you gleaned from your Business Acumen Assessment

results. You'll be provided with a template to equate your goals with specific action plans!

You can use this book to take direct action as exemplified in the templates, exercises, and helpful hints in each of the chapters. I cannot emphasize this point enough: when you proactively take action, it means you seek out diverse job experiences to expand your portfolio of skills—which will contribute to your effectiveness as a business person. Also, when you are seen by your managers as an individual who takes on challenges and seeks out new experiences, you'll increase your chances of being promoted!

Also, to absorb what's contained in the book, you can certainly read it in a sequential manner to get the gestalt of the entire work. Then, you can refer back to various chapters when you encounter a specific situation and need a refresher. To contribute further to your knowledge, I've also provided a Glossary and Bibliography at the back of the book.

With this context, I want you, as a new manager, to develop your own sixth sense for business. I can safely say that leaders of organizations, large and small, are constantly on the lookout for new ways to do things. They have an insatiable need to get work done quickly and efficiently, and to remove as many obstacles as possible. They need employees whom they rely upon and trust to protect the interests of the organization—in other words, they need good managers! Even more, they want these managers to evolve into the leaders of the future. As you journey through this book, use the tools and suggestions to help you raise your game. My hope is that this book will offer you a set of lenses through which you can view business in a simple, practical way.

CHAPTER 1

STARTING OUT: ASSESSING YOUR BUSINESS ACUMEN

After you read this chapter, you should be able to:

- Interpret the key dimensions of business acumen needed for business people to be successful.
- Evaluate your business acumen with a simple assessment.
- Define areas on which to focus to develop your business acumen.

The wise man will want to be ever with him who is better than himself.

—PLATO

Most managers say to their new hires that they have to “hit the ground running.” I don’t know about you, but most times I was advised to do this, I’d end up like a kid, falling down, scraping my knees, and feeling bad.

After I graduated college, I was hired as a management trainee at a company that distributed plumbing and heating products. I knew nothing about pipe, valves, fittings, toilets, or boilers. Nonetheless, I was told that I had to learn every job in the company by doing every job in the company. I thought that would be fun, although I was scared out of my mind.

When I started, I had to learn how the back office worked. Later, I was assigned to a distribution center to process orders, work the counter, and talk to customers. After that, I spent many months in the field as a

salesperson. When I stumbled and thought I had learned my lesson, I'd make another error, but I eventually started to "get it." Luckily, my boss spent a lot of time with me as a mentor and coach as I was brought more deeply into the business. During my three years at this company, I developed a tremendous understanding of how successful businesses worked.

During the early days of my career learning about business operations, I also attended graduate school on a part-time basis to earn an MBA in finance. Afterward, I held financial jobs in a variety of industries including defense electronics and medical products. In each of those roles, I always interacted with people in different functional departments. From these interactions, I realized that the organization was in a fluid state. Customer problems trumped daily plans and operational challenges delayed projects. Yet the big learning was this: *adaptability and flexibility are required characteristics for any business person to achieve success*. Furthermore, because of the shifting tides of markets and the adaptation of companies to stay ahead of the curve, I realized why it is so important to become a student of business, and why it is vital to attain a well-rounded view of the business playing field.

What I learned then, and what I believe you will realize, is that you'll always have a host of urgent demands. They'll come in many different forms as e-mails lobbying for your attention, requests to attend an endless stream of meetings, and a barrage of things to do. When I was in the thick of things in any company where I worked, there were times that I felt like I was in a raft on a raging river of class 5 rapids, and that if I didn't handle a given situation correctly, I'd capsize and have to swim to the safety of the shoreline—and avoid the rocks at the same time! If you have sufficient preparation when you encounter the unexpected, you will be able to set the stage to deal with these issues. If you don't establish the proper context for the environment in which you work, others will set the context for you! When this occurs, you'll be a firefighter who battles a fire that just won't simmer down. This can put you and your business career at a major disadvantage.

To get started, I've designed this section to familiarize you with key skills that any business person should master. To do this, I will:

1. Present you with seven *groups* of business acumen, and a number of *characteristics* that are important to a business person's performance. Each will be defined for you.

2. Introduce you to a model and a tool to help you assess yourself and capture your current level of business acumen.

ALL ABOARD!

Imagine a roller coaster ride at an amusement park. The riders line up and then board the train. The safety bar is lowered, and the train takes you along the course. People who are frequent riders know the dips and curves and when they'll catch some air. In the world of business, the jobs we take may seem like we're on a roller coaster. Imagine how hard it would be to hop on the train while it was moving! It's not possible. However, when we start a new job or join a new company, it almost seems like we're boarding that moving train. From another vantage point, you may find that your business degree or experiences to date will not have prepared you to handle many of the unfamiliar situations you'll encounter. Yet you will still be expected to fulfill your responsibilities.

No matter where you start out (or started out) as a business manager, you've got to be able to determine where you are so you can figure out what to work on as part of your *purposeful professional development strategy*. (Note: In Chapter 12 and Appendix A, you'll have an opportunity to work on this professional development strategy with a helpful guideline, template, and online access to the Business Acumen Assessment.) As you create this strategy, I want you to be aware that there are some nonnegotiable characteristics that are required of all business people who aspire to become great managers. These include the following:

- Communicate clearly with people in all functional departments at all levels.
- Garner respect from people in those functional departments.
- Creatively collaborate with others in both recognizing and solving problems.
- Know the right processes to use to get things done and fulfill goals.
- Approach new opportunities with enthusiasm and passion.
- Focus on the achievement of business results.

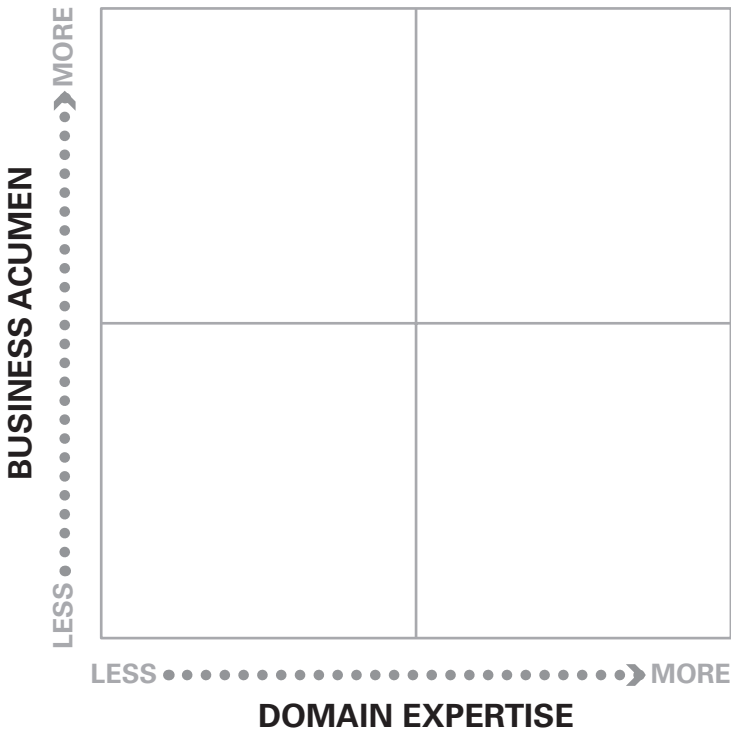
As you gain experience from the work you do and the situations you encounter, your “state of experience” will shift—and you’ll become better prepared to figure out what to do next!

ESSENTIAL ELEMENTS OF BUSINESS ACUMEN

Regardless of the type or size of company you work in, leaders want the same things from the business people they employ. This involves having sufficient familiarity with markets, the economy, and finance. They also want people to solve problems, make decisions, and contribute to positive business results.

As I mentioned in the Introduction, the term *business acumen* refers to the portfolio of characteristics employed by successful, productive business people. However, there’s another dimension worth mentioning. It’s the word *domain*, which is used to describe the environment of an industry or technology. For example, a business person who works in a bank should have sufficient knowledge of the financial services sector. This is crucial because the banking industry is strongly influenced by the state of politics, regulations, economics, and technology. This also involves staying up-to-date on customer behaviors and preferences in banking, which could include the fact that people are more mobile and bank online. People who might opt for a business role in a bank and stay current on activities in that domain would be more committed to that role, and may do a better job, than a person interested in consumer electronics.

I had an experience a number of years ago that illustrates an important perspective. While I was conducting an organizational research project, an executive explained to me that some business people needed a combination of domain (subject matter expertise) and business skills and understanding. This particular case had to do with the nuclear power generation market. He described how he had to evaluate prospective business managers for leadership roles based on their understanding of the industry, its relevant technology, and market dynamics. To further illustrate his point, he used his hands to form a *T* and said that a T-shaped manager with the combined breadth of business acumen and depth of domain was required to be a successful business person in his company.

Figure 1.1 The Intersection of Business Acumen and Domain Expertise

A lightbulb went off in my head! I took out a piece of paper and drew the T shape. Then, I thought to myself that there had to be a way to visualize the gradations of business and domain expertise—which is what I’ve visualized for you as Figure 1.1.

As I ventured through my own career, I subconsciously made choices about companies in which I could work based on my perceived level of business acumen and domain interest and expertise. Some roles were easy to get my mind around because I was interested and could more easily associate with them. In choosing one of my first financial positions, I opted for a job with a medical products manufacturer over a similar role in a bank. I learned the domain of those medical products because I was keenly interested and easily saw my way forward in learning that area. I had similar experiences in subsequent roles with computing hardware and business automation software.

In Appendix A, I'll explain the gradations of domain expertise and show you how to plot your "coordinates" on the chart shown in Figure 1.1.

I can safely say that you will immensely benefit from what's contained in this book as you expand your breadth of business knowledge and expertise. To help you do so, I'll provide information on those characteristics and a technique to conduct a self-assessment. The characteristics I describe in this chapter represent the superset of knowledge, skills, experiences, and behaviors that you should strive to attain, and that others expect you to embody. As you will discover, these relate to the actions you take and the outcomes you produce.

As you're guided through the definitions, and if you take the assessment (whether in this book or online), you will realize that you probably don't possess the entire portfolio of experience. I urge you to think of these characteristics from an aspirational point of view. Over time, you will learn what it takes to produce results that are visible and evident to yourself, your managers, and your peers.

To gain the best perspective, I'll ask you to read through the seven groups and the associated characteristics. I'd like you to approach these with the following points in mind:

1. These are career building blocks. Therefore, your understanding of them will sensitize you to what leaders want, what you'll need to exhibit to be recognized, and how success can be attained.
2. Discern what's relevant to you, whether it's in your current job or based on your aspirations, so you can concentrate on the areas that are most important.
3. Use these to set your own context and prepare yourself to assimilate what's contained in the chapters that follow.

Across the seven groups, there are a total of 38 characteristics. As you review the descriptions of each characteristic in each *group*, you may think they're obvious and, perhaps, somewhat oversimplified. Indeed, these descriptions are not highly nuanced or deeply detailed. However, I've interviewed many business leaders about these characteristics, and one of the things I've learned is this: *understanding a definition is one thing; living the definition is another*. The reason is simple. We all have blind spots. What we perceive as a strong ability may not be seen so by

others, including your boss. On the other hand, it can mean that you have a strength that you're not fully aware of.

You may also notice some recurring patterns and connectivity among several of the characteristics. These can be interpreted as synergies. For example, when you read about problem solving, critical thinking, and decision making, you will see that each has its own definition, but you can't have one without the other. Further, when you see specific interconnections, you will be primed to understand the interconnectedness of business and why this perspective will help you see the big picture that is so important to your success. Most of these items are mentioned, either explicitly or tacitly, throughout this book. Therefore, I'll provide you with the ability to "check in" at the end of each chapter so that you can reinforce what you've learned, or to clarify your understanding about a characteristic. To reinforce my point made earlier, you'll be able to use these to focus on your purposeful professional development goals.

Group 1: General Business

- *Managing.* Managing involves the work of "getting things done" and is broken down into broad categories that include goal setting, planning, monitoring, and measuring work and its associated outcomes. Whether you're an individual contributor manager, or a manager of managers, "managing" is what you do to get things done every day.
- *Defining processes.* Processes involve the procedures that govern how work or information flows across an organization. They serve to define cross-functional work activities and clarify roles and responsibilities in the production of outcomes. In the definition and use of a process, there's an implication for business people who should be able to recognize and remove roadblocks that stand in the way of progress.
- *Making decisions.* Good decisions should be based on facts, data, and experience. Business people must be able to size up a problem or situation, collect and evaluate data, and surface alternatives. When you make a quality decision and follow through with a positive outcome, you'll know you're on the right path.
- *Being a self-starter.* The ability to identify and initiate work without supervision or direction is a sought-after capability.

If you are motivated to grow and be promoted, you shouldn't always have to wait for the boss's orders.

- *Managing time and being efficient.* Business people must keep their days organized by balancing meetings, work tasks, and administrative activities in order to produce expected outcomes. This also allows for the dynamic prioritizing that's needed every day.
- *Adapting to changing situations.* Business people function in a dynamic workplace with seemingly endless demands from others. They must flexibly adapt to each situation and understand that goals and associated plans may change from time to time. Staying cool and logical are the watchwords here.

Group 2: Business and Market Environment

- *Deriving market insights.* Businesses sell products to customers. Customers have choices among competitive offerings. The market is characterized by this dynamic interplay between customers and the competitors who vie for their business in any number of industry areas.
- *Understanding products.* All businesses sell a product of some kind. To get the best picture of how any company operates, you will need to understand the products being offered for sale by the company. This contributes immensely to the understanding of how any company makes money.
- *Evaluating the industry and domain.* A holistic perspective on the business environment means understanding a collective host of influences. These can include the political climate, regulations, economic activity, societal trends, and the evolving impact of technologies on your company and its products.
- *Experiencing business on a global level.* Many companies do business outside of their home markets. Whether you travel to other countries to transact business or do so through other means, business people should be able to understand the cultural dimensions of business in markets in which your company does business. This should not be taken lightly as

there are a number of cultural and other boundaries that separate people across the globe.

Group 3: Mindset and Orientation

- *Critical thinking.* Spending sufficient time to assimilate and evaluate business, market, financial, and environmental data yields vital conclusions that can help in the formulation of an insight and/or the derivation of a strategy. Critical thinkers tend to embrace ambiguity, uncover and solve problems, and make fact-based decisions.
- *Strategic thinking.* In ambiguous market environments, strategic thinking is used to consider and evaluate internal and external inputs and to envision future competitive solutions. Strategic thinkers therefore have deep knowledge of the market that is meshed with their understanding of the company's people, processes, and products. They are able to derive scenarios that identify business opportunities.
- *Systemic thinking.* This relates to the way in which you develop insights from the evaluation of complex interrelationships and the detection of patterns and/or trends and how those impact a business from a holistic perspective. Systemic thinkers have a great tendency to make connections. Think of how doctors utilize diagnostic procedures; they have to think systemically about the human body.
- *Solving problems.* Problem solvers are able to assess a situation and use a logical analysis to determine the source of the problem. They also engage others in analysis of solutions so that an appropriate decision can be made.
- *Entrepreneurial thinking.* As business people evolve in an organization, they are often expected to look for opportunities outside the current affairs of the firm. Leaders look for people who keep abreast of market trends, propose innovative products, and conceive of new ways of doing things.
- *Developing organizational instinct.* Business people improve their effectiveness over many years and through encountering various situations. These experiences lead to the development of organizational instinct. Thus, this instinct is usually acquired

rather than innate. It develops like a sixth sense in the minds of business people and matures with experience.

- *Exercising political judgment.* Business people must be able to recognize, analyze, and reconcile incompatible interests or agendas on a team or across an entire organization. Although you must act in the best interest of the company based on its goals, you may need to persuade others to examine different perspectives using thoughtful suggestions that may help people find common ground. As relationships are developed with key influencers across your organization, political judgment may also be driven through an understanding of the implicit or unspoken words of others.

Group 4: Communication

- *Listening attentively.* This skill is important not only for interacting with the people you work with, but also for hearing the voice of the customer—especially when you are observing or speaking with customers. Active listening may include asking open-ended questions, paraphrasing, reflecting, and summarizing what was said.
- *Observing actively.* Closely related to active listening, this capability is used by business people to evaluate operating environments. For example, active observation is an often-used technique for teaching medical students in a clinical environment. Active observation techniques include understanding organizational work flows and operating models used by the company.
- *Writing clearly and concisely.* This is the ability to assemble your thoughts and write in an organized manner to a specific audience. Specifically, you need to be able to write concisely for a senior executive or with sufficient detail for a peer.
- *Presenting persuasively.* This doesn't necessarily equate to your PowerPoint skills. It's related to how you communicate to others in a manner that captivates their imagination and inspires action. For additional context, think about how people who want to start a company might pitch their idea to an investor.

- *Influencing others.* Influencing is the ability to get others to do what you need them to do. This could be to enlist support, obtain resources, or energize a team. Leaders expect that business people, with or without direct reports, will always need to gain the support of others to share ideas, work on projects, and produce work products that represent the combined outcome of many people.

Group 5: Interpersonal Skills

- *Building positive relationships.* Relationships may be enhanced when you're seen as "available" and approachable. People want to see you as friendly and helpful. This is important because it sets the stage to your becoming more visible in the day-to-day interactions in your business environment. This is achieved by engaging in conversation with people, finding common interests, learning about their work, and understanding the issues they face. It also includes the ability to help others feel valued and important.
- *Developing customer relationships.* Conversing with, observing, and understanding customers are vital to the success of any business. As business people evolve in their careers, it is imperative to create durable, long-lasting relationships with customers! Frequent interactions allow you to understand how customers "do what they do" so that implicit needs can be uncovered. As you progress in your business career, you will likely be called upon to focus on uncovering and solving customer problems.
- *Developing external relationships.* Your organization may maintain business relationships with other firms, such as suppliers, distributors, or ecosystem partners. These relationships are built through a common understanding of all objectives for all stakeholders, as well as through all contractual obligations. This also means that when issues emerge, they can be dealt with to the satisfaction of all.
- *Including others.* People come from everywhere! Business people must develop competence in communicating within and interacting across cultural, ethnic, gender, and geographic

boundaries. One approach to tap into this brain power is to proactively seek information from others with different personalities, backgrounds, and styles, and including them on teams in problem solving and decision making.

- *Helping or coaching others.* Business people know that others may need help from time to time. Communication proficiency equips business people with the skill to uncover clues about where people need help. Oftentimes, those who need help don't realize it, or you may need to facilitate conversations between team members who have different perspectives in order to promote collaboration and cooperation.
- *Being a reliable team player.* Business people work on teams all the time and, ultimately, will lead teams. Whether a team member or leader, you should be able to understand the purpose of any team and the roles of people who are responsible for the achievement of the team's goals. To foster teamwork, you will need to provide assistance to others when needed and reinforce the contributions of your teammates.
- *Negotiating.* In the big picture, negotiating involves gaining the best position at the least cost where everyone "wins." Negotiating in an organization is more easily accomplished on a long-term basis when goals are agreed-upon, issues are understood, and everyone's interests are represented so that you can get to "yes" as required.

Group 6: Business Performance

- *Being results oriented.* Business people earn credibility when they are able to set and achieve challenging goals. They excel when they feel a sense of urgency to achieve more in less time—which is highly desirable in the eyes of senior leaders.
- *Evaluating business performance.* Financial skills are used to establish budgets, forecasts, market share assessments, and cash flow estimates. Nonfinancial performance indicators provide other important insights into the business. These financial and nonfinancial measures must be melded to evaluate the performance of the company versus established plans so that timely corrective actions can be taken.

- *Improving business processes.* Business people can contribute greatly to the achievement of company goals when they can evaluate the effectiveness of work activity across the organization. They can earn credibility when they evaluate key performance indicators associated with those processes and take action on vital process improvements.
- *Taking action.* Action-oriented people understand the need for speed and agility in shifting markets and are ready to take on new challenges every day. Those who work hard and are full of energy are assets prized by company leaders.
- *Assuming accountability.* In the production of business results, the person who must ultimately deliver on a commitment (or hold others to the commitment) is considered accountable. This should not be confused with the term *responsible*, which means that a person is the doer of work.

Group 7: Yourself

- *Earning credibility.* One of the most important characteristics that all managers must demonstrate every day is credibility. Your leaders and peers (and subordinates, if you have them) must perceive you as responsible and reliable based on your commitment to the business, doing your fair share, and being responsible for your own mistakes.
- *Acting with integrity, ethics, and trust.* Acting with integrity means that you have a sense of ethics and values. Being trustworthy means that you behave reliably, fairly, and honestly, inspiring others to trust you.
- *Being confident.* Confidence in your ability to contribute to the successful operation of the business is vital. The greater your own achievements, the more self-assured you are. When you are more self-assured, you are more likely to take on new challenges with a can-do attitude. However, overconfidence can be seen negatively, which means an occasional dose of humility may be needed.
- *Exercising managerial courage.* This refers to the ability to stand up for your convictions, values, and beliefs. Managerial courage is observed when a business person faces a difficult issue and says what needs to be said.

Later in the book, I provide greater context for you, with specific “how-to” steps to raise your game in each of these areas.

THE BUSINESS ACUMEN ASSESSMENT

Now that the characteristics have been identified and described, it's time for you to reflect on these and to carry out your self-assessment. There is tremendous value in doing this assessment, which includes:

1. Having a baseline measurement of your level of knowledge and experience with respect to each characteristic.
2. Being cognizant of the areas on which you can focus to improve your understanding as you encounter various topics.
3. Knowing that I'll provide you with ways to “check in” at various points throughout the book to ensure that you're on track to continue your learning.

Now, as you consider each group and the descriptions of all the characteristics in each group, think of how you might rate yourself using an easy rating scale. Refer to Figure 1.2 for rating guidelines. A sample

Figure 1.2 Assessment Rating Scale

RATING	DEFINITION	POINTS
Limited	This means you haven't had a many opportunities to focus on this skill or apply it in your work.	1
Intermittent	You have had some opportunities to use the skill intermittently and are developing more familiarity with its use.	2
Frequent	You frequently utilize this skill, yet encounter some challenging situations where you may need some guidance from your manager.	3
Consistent	You effectively and consistently utilize this skill, and are able to coach others.	4

Figure 1.3 Sample Self-Assessment

GROUP	CHARACTERISTIC DESCRIPTION	LIMITED	INTER-MITTENT	FREQUENT	CONSISTENT	SCORE
GROUP TOTAL:						

self-assessment form that can be used to rate yourself for each group of characteristics is shown in Figure 1.3.

The complete Business Acumen Assessment is located in Appendix A. In the assessment, I’ve distilled the key items into a number of phrases that you can use to easily rate yourself. Whether you take the assessment now or when you’ve completed the book, you may surmise that there could be many more statements associated with each characteristic. That’s good, and it should motivate you to study more deeply in areas that are of interest to you or where you should focus your development. For now, this should be sufficient to allow you to come up with a useful approximation of where you’re situated.

As an adjunct to this book, I’ve created an online version of the Business Acumen Assessment. What’s terrific about this online assessment is that once you’re done, you’ll immediately receive a report with your scores, as well as a comparison to all the people in the world who have taken the assessment. You’ll also be provided with some helpful hints to help you identify the best areas on which to focus your professional development efforts. This assessment is also a great tool to share with your manager when defining your goals. To access the assessment online, go to <http://survey.sequentlearning.com/s3/business-acumen>.

If you complete the self-assessment now, use the table in Figure 1.4 and transfer your total for each group into the column labeled “Total Score” and add them up. This grand total is the baseline measurement

Figure 1.4 Self-Assessment Summary

GROUP	TOTAL SCORE
General Business	
Business and Market Environment	
Mindset and Orientation	
Communication	
Interpersonal Skills	
Business Performance	
Yourself	

from which you can begin your professional development action planning. As you read through the book, take note of what's discussed, work on the suggested exercises, and refer to the action planning template at the end of each chapter as well as your professional development strategy from Chapter 12. These will help you to more easily associate various characteristics with the content of those chapters. My overall goal is to provide you with the wherewithal to improve your business acumen and become a better manager.

SYNTHESIZING THE INFORMATION FROM THE SELF-ASSESSMENT

Once you complete the self-assessment, you may wish to dive right in and start working on any number of items. This is only natural, as it's a personal process and most of us want to improve. Such a self-assessment is also important because it provides you with the ability

to link the different dimensions of your own professional and career puzzle.

Contemplation allows you to think more carefully about your own strengths and weaknesses. Therefore, I suggest adopting a technique that strategic planners use to capture and synthesize characteristics of their business. This technique is known as SWOT analysis. SWOT is an acronym that represents four main areas on which a business can be evaluated: strengths, weaknesses, opportunities, and threats. You can use your self-assessment to capture and synthesize important aspects of your own situation so that you can create strategies for your professional development. Figure 1.5 shows a personal SWOT analysis that you can use as a template.

As you might surmise, it's a good idea to appraise your strengths and weaknesses and to consider emerging threats before working on your opportunities across the entire spectrum of business acumen characteristics. *As you evolve, you can consider a number of opportunities collectively that will help you form a more purposeful professional development strategy that can be discussed with your boss or others, helping you to clearly delineate your goals for any given time frame.*

Figure 1.5 A SWOT Analysis Based on Your Assessment

<p>STRENGTHS</p> <ul style="list-style-type: none"> • In which areas do you perform well? • What evidence do you have? • What would others say about your strengths? 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Based on what's included in the other quadrants, what are some of the characteristics that you can work on to continue to improve your effectiveness?
<p>WEAKNESSES</p> <ul style="list-style-type: none"> • In which areas has your performance not delivered the best outcome? • What evidence do you have? • What would others say about your weaknesses? 	<p>THREATS</p> <ul style="list-style-type: none"> • Are there other areas where your bosses can go to get done what you may not be providing (e.g., replacing you, outsourcing, etc.)? • What would others say about threats you should be concerned with?

THE VALUE OF A SECOND OPINION

In these types of assessments, you might find there is some bias in your self-assessment; this is normal. With this in mind, it might be a good idea to validate your responses. You may need a second opinion—or several second opinions. The only true test is to find out how others have observed you or have seen the evidence of your actions and behaviors. That's why I include "What would others say . . .?" in the SWOT matrix in Figure 1.5.

You may wish to begin with a friendly peer to review your findings. She could offer you feedback in terms of how she sees you versus how you view yourself. Open up about where you feel some of your weaknesses are and see what she says.

When you feel more confident, you can arrange a conversation with your boss to describe what you're doing and why. She might also be able to share with you some of the things that are important to her managers. You can also speak with peers of your boss if it is politically acceptable to do so. By reaching out to others in this way, you demonstrate that you are both vulnerable (a great way to build trust and political capital) and interested in self-improvement. Sharing information with your peers may also help you in creating a support network. For those whom you do trust, and who trust you, you may find that sharing this information will also provide some unique insights about others whom you might work with in future roles. Regardless of who you speak with, you'll come away with some invaluable perspectives that can be utilized for your own self-improvement program.

LEARNING NEVER STOPS

The term *learning curve* is used to describe the life cycle of learning and the rate of progression in a given discipline. However, a learning curve for any specialty never stops, and it's important to understand that there's always more to learn and do to improve your business acumen and your managerial competency. Regardless of the term you apply, during your professional career, you'll undertake new challenges and learn new skills as you encounter various experiences or take on new roles. You may

move from a large company to a small company. You may take on an international work assignment. Whatever you do and whatever situation you encounter as a student of management, you're always going to come across opportunities to engage in new areas, reenergize, and improve your managerial competencies along the way.

To help you along, at the end of each chapter that follows I offer you two ways to raise the bar:

1. A list of suggestions for improving your managerial competency
2. A summarization of key areas of business acumen, along with an action planning template

In Chapter 12, you'll also find a template to create your own purposeful professional development strategy that you can use to plan your professional growth.

SUMMARY

Successful managers continually draw insights from the business environment. They process information based on the situations they encounter and update their goals and strategies accordingly. They are sharp, self-aware, and practical. However, the one thing that separates great managers from others is that they know they are a work-in-progress and commit themselves to continuous improvement. In the end, these managers position their companies for success. This is the process that will work for you as you gain further knowledge and experience in your business career, and as you chart your path to managerial excellence and leadership.

This chapter is crucial because it describes the key ingredients of business acumen and allows you to evaluate where you are in the path to achieving greater levels of acumen through self-reflection and meaningful assessment. The definitions and the Business Acumen Assessment are designed to help you figure out the areas on which you need to focus so that you can do what successful business people do—that is, achieve stellar results.

In the beginning of this chapter, I suggested that you can leverage this book's content to assemble your professional development strategy. To

target your efforts, refer back to the Business Acumen Assessment from time to time and see if there are other areas that may be germane to any of those clusters or categories. You may wish to fine-tune your scores, or even take more immediate action by discussing a new goal with your manager. Alternatively, you can take the initiative to concentrate on an area that may not have been apparent to you. I am certain that you'll have the ability to focus on your business career in a way that you may not have imagined.

INCREASING YOUR MANAGEMENT COMPETENCY

1. Keep good records. Just as artists keep a portfolio of their work, you should do the same with your own work. This is especially important as you change roles in a company or get a new job in another company. Further, even if you stay in a given role but get a new boss, the burden of proof of your efforts is on you, so this portfolio of work will come in handy.
2. As you read the chapters in this book, try to key in on the professional development areas on which you might focus. You may also be able to augment the list of professional characteristics.
3. Start reading other books and articles on topics related to the main characteristics to fine-tune your understanding and to keep up with current thinking.
4. Reach out to your peers to ask for their feedback on what you do well and where you could improve. This will keep you focused on developing in the best areas.
5. Periodically, check in with your boss to make sure the work you're doing is consistent with your performance goals. Alternatively, as you establish your own professional goals, you can periodically reassess yourself so that you can account for your growth and development.
6. Challenge yourself to notice how other people in your work environment operate. Try to observe people who behave in a way that you think is interesting and creative. Get to know them so that you can find out what they do and why. (This is also a great characteristic when you need to observe customers.)

