

Leveraging Business Acumen to Become Influential

Steven Haines, BS, MBA



Across industries and around the world, executives talk about transformation and the evolution of the future-ready organization. Buzzwords like digitization, telehealth, remote monitoring, and leadership abound. They are often so loud that they drown out what's truly needed to carry an organization into the future. It's as if executives are sending out signals for a revolution when in fact, as most of us know, change comes slowly. However, in the world of health care and healthcare management, there's a sense of urgency that cannot be ignored. The future is now, and a more proactive approach is needed in nursing professional development (NPD).

From another standpoint, in the business world, terms like *agile* and *lean* signal a call to action for the collection and analysis of data, testing, and learning. To achieve the level of agility needed to succeed in NPD, the following items are vital contributors to your leadership mindset:

1. understanding the pillars of business acumen and how they're applied to leadership;
2. connecting the core tenets of business acumen to what is needed to influence through encouragement, guidance, and professional development; and
3. leveraging business acumen to adapt to changing conditions (regulations, insurance reimbursement policies, healthcare processes, and patient care).

Although some might interpret these items as hindrances to NPD practice, others embrace the potential for leadership excellence. This desire for excellence is where the mastery

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of business acumen comes into play and allows you to understand how adopting the core principles of business acumen can help you evolve as an influential leader. In this article, I describe how the cultivation of business acumen contributes to creating future-ready NPD departments that can operate in an increasingly competitive world.

WHAT IS BUSINESS ACUMEN?

Business acumen is a portfolio of skills, behaviors, and capabilities needed to support an organization in achieving its financial and strategic goals. Leaders in health care must cultivate their business acumen as well as their domain (professional) expertise. I've developed a self-assessment you can use to characterize your personal levels of business acumen, and you can associate these with your level of professional expertise. You can find the self-assessment at this link: <https://assessment.business-acumen.com/s3/assessment>.

NPD practitioners need to understand the big picture of business and how various dimensions of the organization operate and interoperate. They also must be able to consider a host of business dimensions as they collaborate, solve problems, and make decisions. This mindset is vital as NPD practitioners coach, guide, and mentor those with whom they work.

Often NPD practitioners function from the vantage point of their department's functions—not to improve cross-organizational effectiveness. The “business of the organization” isn't being infused into the minds of people who help the organization achieve its strategic goals. This goal achievement often rests in the hands of those in executive roles and creates unproductive organizational friction. From my standpoint, a more granular approach is needed that considers “what” to develop, and there's the “how.” Let's talk about the “what” first, using a visual model I created called the “Business Acumen Canvas” shown in Figure 1 (Haines, 2019). Although the canvas has 23 dimensions, I'll summarize the three key dimensions to develop business acumen. You can

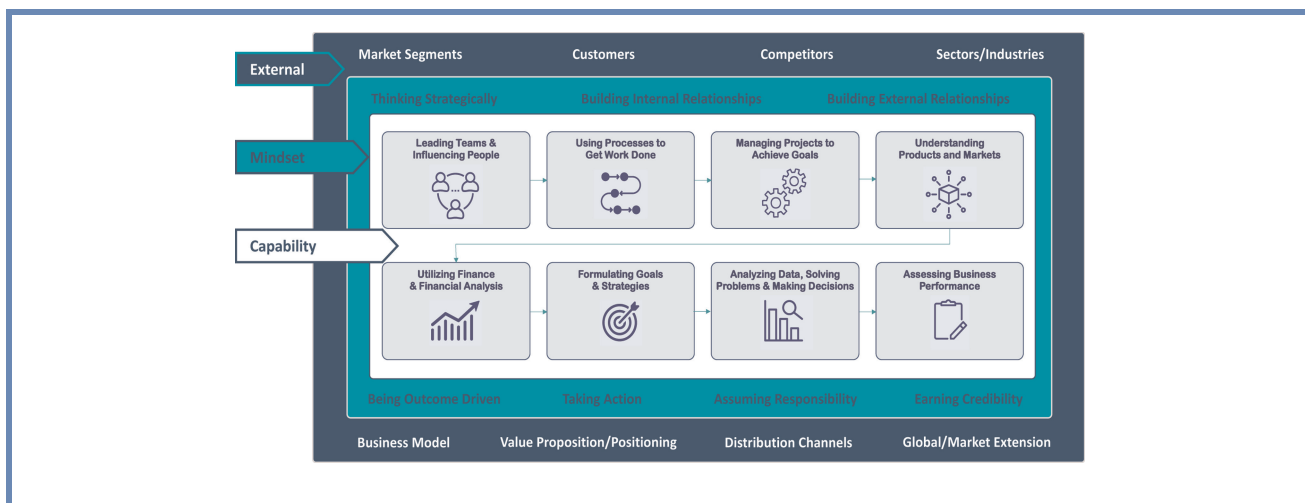


FIGURE 1. Business Acumen Canvas. Reprinted with permission from the Business Acumen Institute.

download a copy of the canvas or watch a video where I explain it in detail at <https://business-acumen.com/business-acumen-skills-canvas/>.

The three dimensions, noted by the arrows to the left of the canvas, are an external orientation, a person’s mindset, and core capabilities that represent both soft and hard skills.

External orientation, the outermost layer of the canvas, is the starting point. The very survival of any organization is based on a thorough understanding of what’s going on outside its four walls. In health care, an external orientation requires an understanding of the patients served as well as providers, payers, and suppliers. In addition, the competitive climate cannot be ignored because patients can choose healthcare providers.

Moving inward from the external orientation layer is the mindset layer. Our mindset provides the lenses through which we view and interpret the world and goings-on in our organization. One aspect of mindset is strategic thinking, one of the most desirable leadership competencies. When we think critically, logically, and strategically, we add value to the organization by supporting its strategic goals. But the real glue in all of this is to achieve self-empowerment as we build political capital and develop the ability to finesse the culture to get things done, all while being a capable facilitator and guide along the way.

This finesse is found in the innermost layer of the Business Acumen Canvas capability. This area of the model has

eight key capabilities that must be developed to attain optimal business acumen. We’ll focus on these capabilities in the next issue of the journal. In the meantime, reflect on your personal business acumen capabilities to identify areas needing improvement.

SUMMARY: WHY BUSINESS ACUMEN MATTERS

Working in the complex healthcare environment can be overwhelming for NPD practitioners as they try to figure out how to get an amorphous collection of urgent, important things done right, right away. Although NPD practitioners are typically expert clinicians, they often lack the business acumen to help them focus on the organization’s mission and vision to influence its strategic goals (Harper & Maloney, 2022). As you can see, business acumen isn’t one thing. It’s multidimensional, dynamic, and knitted into the fabric of the organization. Stay tuned for the next column that focuses on the core of the Business Acumen Canvas and provides strategies for developing your personal capabilities.

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Developing Personal Capabilities

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In the last column, I introduced the concept of business acumen, which I defined as a set of skills, behaviors, and capabilities needed by nursing professional development (NPD) practitioners to support their organizations in achieving financial and strategic goals. As leaders, NPD practitioners must develop business acumen as well as their professional and specialty expertise.

In addition to the concept of business acumen, I introduced my Business Acumen Canvas, shown in Figure 1 (Haines, 2019), in the last column. In review, the Business Acumen Canvas has three key dimensions, delineated by arrows to the left of the canvas. These dimensions include an external orientation, an individual's mindset, and core capabilities. External orientation comprises knowledge of the outside environment and NPD practice, including understanding of patients, providers, payers, suppliers, and the competitive climate.

The middle layer represents our mindset, the lens through which we interpret the world and our organization. The mindset includes strategic thinking, a required leadership competency. Strategic thinking allows us to add value to the organization through intentional alignment with its strategic goals, as noted in the NPD scope and standards (Harper & Maloney, 2022). However, self-empowerment is needed. Self-empowerment comes from building political capital and developing the ability to finesse the workplace culture to get things done, all while being a capable facilitator and

guide. Finally, the innermost layer represents our personal capabilities—the glue that holds it all together. These capabilities are the subject of this column.

CAPABILITIES

The center area of the Business Acumen Canvas delves into the detail of day-to-day business. These eight capabilities allow us to develop political capital, a form of currency earned through “relationships, trust, goodwill, and influence” (Calhoun, 2019, para. 4). When combined with finesse, political capital allows us to be effective in our practice environment and to attain an optimal level of business acumen. Let's examine these capabilities and how to develop them.

Leading Teams and Influencing People

The business of health care is also the business of people. The way in which you build teams and foster relationships determines how you are perceived. NPD practitioners can build this capability through active listening to engage others more easily. Building a collaborative work environment in which resources and information are shared also builds influence. In addition, a strong dose of empathy goes a long way.

Using Processes to Get Work Done

At the heart of our practice are numerous interconnected workflows and activities, each involving people and data. Every process can be optimized for efficiency. As an NPD practitioner, you can connect with point-of-care staff to learn about inefficient processes and advocate for change. When a process is optimized, patients and staff can benefit, as well as the organization overall.

Managing Projects to Achieve Goals

NPD practitioners routinely manage projects, such as orientation, competency management, and transition-to-practice

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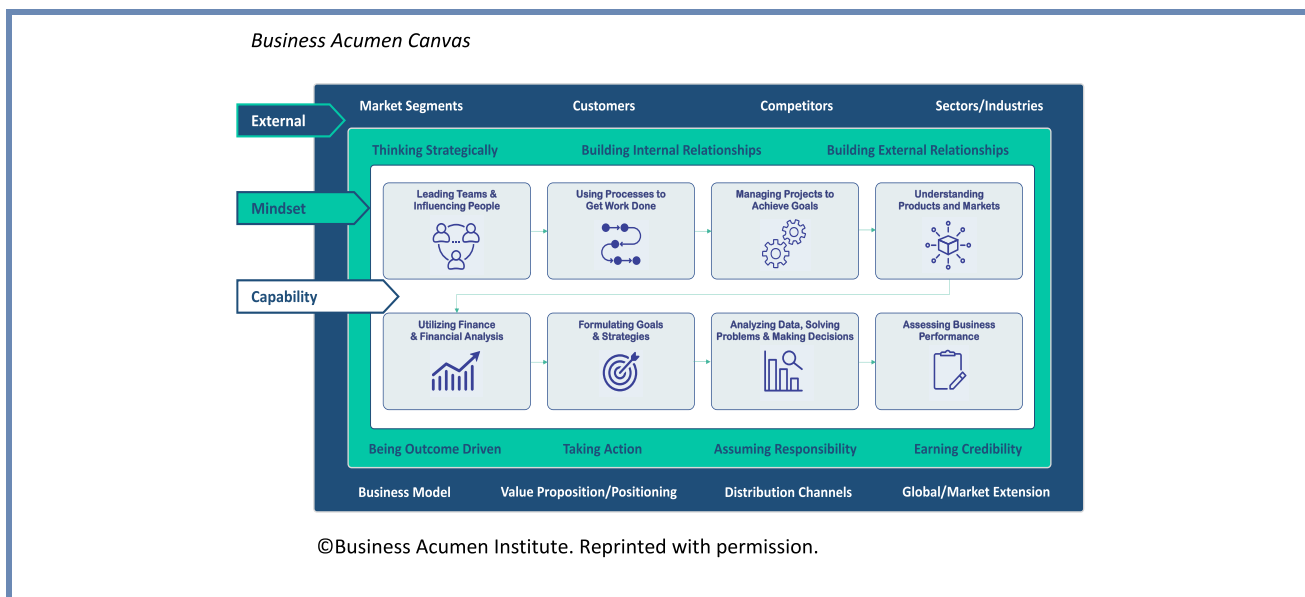


FIGURE 1. Business Acumen Canvas. ©Business Acumen Institute. Reprinted with permission.

programs. To be most effective, you must understand the core tenets of project management. In addition to routine NPD initiatives, you always have opportunities to work on task forces or special teams. The ability to organize people and establish clear roles, responsibilities, and goals is non-negotiable. This ability is related to the first two items and represents how a lot of work gets done.

Understanding Products and Markets

Earlier, I discussed the importance of external focus on customers, the industry, and competition. The only way any organization makes money is to provide products and services to willing customers who value those offerings and that those products and services are chosen over others. As an influential leader, your job is to understand the value and benefit your organization offers to patients to ensure the delivery of an optimal patient experience. One way you can promote optimal care is to understand publicly reported data, such as the Hospital Consumer Assessment of Healthcare Providers and Systems, and how to design NPD initiatives to improve patient outcomes that attract patients to your organization. In addition, you need to ensure that everyone on your team can articulate the value of NPD initiatives to patients.

Understanding Finance and Financial Analysis

Every decision made in an organization and NPD department has a financial impact. Therefore, an understanding of accounting, finance, budgeting, and variance analysis is vital. You can easily become overwhelmed by cost targets, profitability, and other financial terms, and you may even find them to be obstacles to your daily NPD responsibilities. However, the reality of our world requires that we consider

a balance between the type of NPD services offered and the financial impacts of those decisions. As an NPD practitioner, commit to conducting economic assessments of initiatives by learning to calculate the following:

- cost analysis: cost per participant;
- cost effectiveness: comparison of different approaches to determine the best price assuming similar outcomes;
- benefit–cost ratios: comparison of the outcomes with the costs;
- cost avoidance: benefits from preventing an expense such as a health care-associated infection; and
- return on investment: ratio of total financial benefits to total costs.

Your ability to demonstrate the financial value of NPD initiatives is critical to ensuring the viability of your department.

Formulating Goals and Strategies

A company, a hospital, and even an NPD department are businesses. Plans are built on goals for the future. However, a thorough understanding of the data that demonstrate where you were and where you are now can contribute to the future goals of your department and your organization. Your assessment of how things work and how things could work more effectively is vital. This assessment can facilitate the development of an NPD department annual plan with measurable goals and objectives that align with the organization's strategic plan (Copley et al., 2022).

Analyzing Data to Solve Problems and Make Decisions

The preceding six capabilities contain a treasure trove of data and insights. Decisions might have to be made on a moment's notice or require deeper analysis. As a leader, you

must be able to break down a situation into its component parts, assess anomalies, and come to a conclusion. For example, NPD practice standards require assessment and diagnosis of individual, department, and organizational performance to determine if causes of practice gaps are amenable to NPD interventions (Harper & Maloney, 2022). These tasks are accomplished by analyzing data to make decisions.

Assessing Business Performance

Perhaps the single most important characteristic is a person's ability to see how things are going, where they are going off the rails, or where the organization is hitting on all cylinders. Although transportation metaphors abound, the use of the proper instrumentation matters. Businesses, including healthcare organizations, use key performance indicators as measurements to guide strategic and tactical actions. These indicators can extend to the performance of people, processes, and products, as well as the financial impact of those dimensions of the business.

CONCLUSION

Each of the items within the Business Acumen Canvas should be viewed from more than one vantage point. As a skilled leader, you should build an integrated mental model of all of these capabilities so the right areas can be throttled at the right time. You must engage in self-assessment to determine your personal needs to become a skilled leader with business acumen.

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