

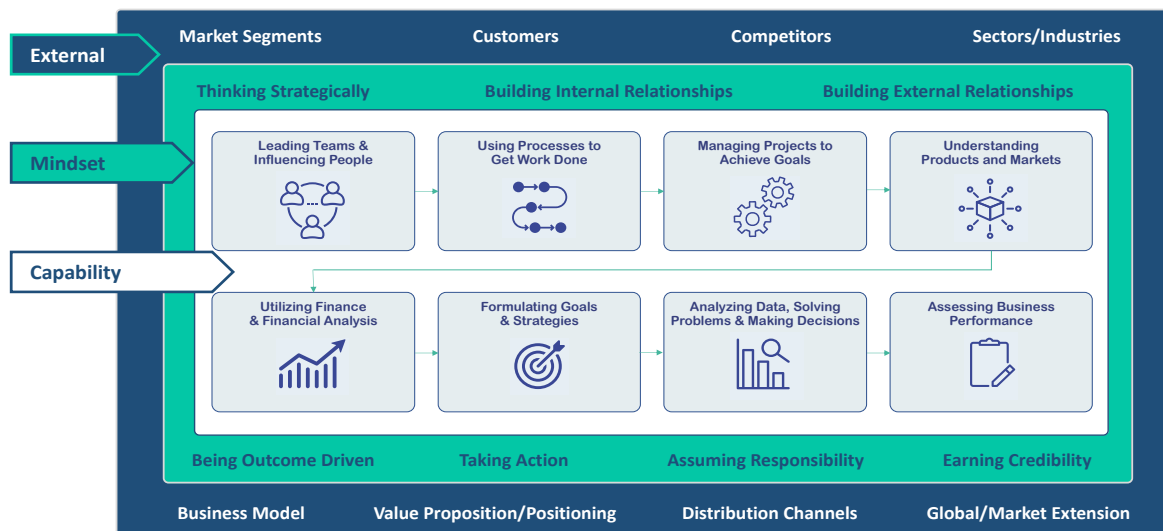
The Importance of Business Acumen For Information Technology Professionals

IT plays a vital role in financial, industrial, technology, and other sectors. Regardless of industry, it's essential that CIOs and IT leaders be able to demonstrate the role of IT in supporting the company's strategy. To be truly effective partners they must be equipped with an understanding of business acumen. Business acumen, combined with technical know-how, plus a broad understanding of customers, markets, and industries can propel any organization to create business value and growth. Finally, strong business acumen in IT is a prerequisite to effectively shift from optimizing IT efficiency to driving business effectiveness.



WHAT IS BUSINESS ACUMEN?

As defined by Business Acumen Institute, **business acumen refers to the portfolio of skills, behaviors and capabilities needed to support an organization in the achievement of its financial and strategic goals.** To further explain, Business Acumen Institute developed the *Business Acumen Canvas* as a model to explain the multi-dimensional aspects involved in the cultivation of business acumen.



The Business Acumen Canvas ©

FOUNDATIONS MATTER

For IT and technology professionals to build the business capabilities that can help propel their companies (and their careers) into the future, the foundations of business acumen need to be clearly understood. The potential implied in the definition of business acumen is powerful. When the Business Acumen Canvas is broken-down into its component parts, each element becomes an area of study. When reassembled, the model's purpose becomes much more powerful as it holistically portrays a view of the organization.

But why is business acumen so important? It's because every business decision involves people, processes, products, finance, strategy, and outcomes that impact the organization. When HR and talent development professionals understand the interrelationships between these important areas, they can contribute more effectively to the company's goals. On the next page, the Business Acumen Canvas will be explained.

The Importance of Business Acumen

For IT and Technology Professionals

The Business Acumen Canvas Explained

PERSPECTIVES

External Perspectives: IT and technology professionals need to cultivate the outside-in thinking that allows for a deep understanding of customers, the problems they experience, and the value they seek in products, services, or interactions. For IT people, the ecosystem of the company has similar constructs. Users and decision-makers across the enterprise are also “customers.” And customers of the IT organization behave similarly to customers of the company; they have choices. Why should any customer choose one product or service over another, which is why it’s important to understand the competitive landscape. This market-first perspective is vital. Furthermore, IT people must understand the business model of the firm – or how it makes money and how the services and support function enables the company to improve revenue, manage costs, and be more profitable.

Mindset: Every successful IT professional must assess situations, process data and think about available options to make good decisions. Like the coach of a sports team, the agility of thought translates into a play plan on the field. That’s the essence of strategic thinking, a key element of business acumen for any IT or technology professional.

CAPABILITIES

Leading Teams and Influencing People: To be a good partner it’s vital to understand the structure of the organization, how roles & responsibilities are assigned, and how to build relationships in a collaborative culture. This organizational awareness can help an IT person to benefit from collective energy of others toward the goals that matter most.

Using Processes to Get Work Done: All processes are guided by people and require clarity of goals, roles, and interdependencies. Most process-oriented initiatives require IT support. These might include business process automation, an AI initiative to aid in creative problem solving, or the organization’s support CRM, financial, or supply chain management systems. Process knowledge is important to help the organization by monitoring process efficiency and productivity.

Managing Projects to Achieve Goals: Projects help to create value through a product or result. Each project utilizes the talents of team members, are assigned a budget & schedule, and must deliver the intended outcome. Projects are a part of all jobs, and this skillset should be developed. These help build leadership skills, collaborative teams and help teams achieve project goals.

Understanding Products and Markets: Products are the lifeblood of any company. All IT people must understand customers served, competitors faced, and value delivered. They must also have a sense of the problems faced by customers and how the company’s products solve those problems. This is why the external dimension of the canvas is so important.

Utilizing Finance and Financial Analysis: Money is the language of business, and every business decision has a financial consequence. It’s vital to understand the essential elements of budgeting, forecasting, tracking metrics, reporting, and analysis.

Formulating Goals and Strategies: Strategies are game plans that help a company achieve competitive advantage. Strategies are built on the goals of what’s to be done along with the activities and actions that spell out how it’s to be done. IT people need to understand the strategic goals of the company in order to logically link the goals of their initiatives with those company objectives.

Analyzing Data, Solving Problems, and Making Decisions: Businesses run on data. It’s a premium fuel that gives everyone in the business the wherewithal to create strategies, uncover and solve problems as they arise, and steer the business. IT people not only need to understand data, they must contribute to data management strategies to support the business. Problems also arise when there are deviations from plans, and IT people need to uncover root causes, offer options, and contribute to effective decisions.

Assessing Business Performance: The achievement of *positive business results* requires discipline, tools, and the consistently applied practice of analyzing financial and non-financial metrics (KPIs). Since all business outcomes invariably contribute to company goals, their collective performance needs to be monitored with proper feedback loops to every other capability.

BUSINESS ACUMEN INSTITUTE is a globally positioned company focusing on business training for emerging leaders and managers. Our clients operate across many verticals, including manufacturing, financial and business services, transportation, energy, etc. Our portfolio of diagnostics, basic, and advanced training programs are designed to achieve success in business management and leadership.

WORKSHOPS

- Building Business Acumen
- Fundamentals of Product Management & Marketing
- Business Case Applied Learning Program
- Business Strategy Applied Learning Program

DIAGNOSTICS

- Business Acumen Competency Assessments
- Business Acumen Organizational Assessment

All BAI workshops can be customized to reflect your company’s business model, processes, and learning goals.