

## Support Notes + Resources

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### Commercial Awareness

#### What is commercial awareness?

In a nutshell, 'commercial awareness' is the ability to view situations from a commercial or business perspective. It is an understanding of the wider business environments and marketplace in which organisations exist (for example the customers, competitors and suppliers) and the factors that influence success (for example the processes, relationships, risks and costs).

#### Why is commercial awareness important? And how is it relevant to me?

- It's relevant to every career – not just business jobs!
- It's a key skill that employers say they are looking for but that many graduates lack – so if you will be looking for employment in just about any sector, it's something you'll need to demonstrate commercial awareness in your portfolio, in job applications and in interviews
- If you are interested in becoming self-employed or doing freelance work, commercial awareness is crucial for securing work, meeting clients' expectations and developing a good reputation
- As a designer, commercial awareness enable you to have better judgment about the concepts and projects you develop
- Commercial awareness is one of the RSA Student Design Awards judging criteria – and we have an increasing focus on this; you need to demonstrate it in your competition entry
- In the 2017-18 RSA Student Design Awards, if you are working on the Working Well brief then there is an additional submission requirement for the competition: a 2 page business case. You will need to have some commercial awareness in order to develop a strong business case

#### How can I demonstrate commercial awareness in my RSA interview?

Think about the following aspects as you develop your RSA project, and be prepared to explain:

- Who is it for?
- Which sector would your proposed solution fit into? (see below)
- What are the trends driving this sector?
- What are your costs or overheads?
- Who are your suppliers?
- Who are your competitors?
- Are there any organisations you could partner with if you were to bring your project to market?
- What are the risks?

### **What else can I do to improve my commercial awareness?**

- Keep up to date with what's happening in the press and the world around you – read newspapers and current affairs articles
- Make a point of viewing/listening to business-related programmes on TV and radio such as Working Lunch, the Money Programme and World Business Review. Some, such as Dragons' Den and The Apprentice may be designed as entertainment but raise a number of business issues and can offer good material for discussion
- Do some work experience – when doing it, try to be more aware of where you work and how you fit in with the organisation
- Start formulating opinions and ideas about business issues that interest you – and be curious; ask people questions about the business environments they work in

## **Identifying Different Sectors**

### **What is a sector, and what are the different sectors?**

National economies are made up of many types of organisations which have different aims and perform different functions. A sector is a subset of the economy – you'll often hear the words 'Public Sector / Private Sector / Charity or Third Sector/ Social Enterprise Sector.

**Public sector** refers to the organisations and part of the economy that are controlled or supported financially by the government. For example, the following organisations all fall within the public sector:

- All central government departments
- The NHS
- Local councils
- The UK police force
- State funded schools

**Private sector** refers to the part of the economy that consists of privately owned enterprises. Private sector organisations are profit-making enterprises which distribute their profits to shareholders (people who own a stake in the company). There are lots of different types and sizes of private sector organisations, ranging from sole traders and small businesses to big corporate businesses.

**Charity sector** or third sector refers to the part of the economy that consists of charities – these are non-profit-making organisations which exist to help people those that are in need. They still need to make money (often this comes from a mixture of fundraising and generating their own income) but the money they make only gets distributed to the people or issue they exist to help.

**Social enterprise sector** refers to organisations that can be either structured as a for-profit or non-profit organisation, but they use commercial strategies to improve social and environmental wellbeing (as opposed to maximising profits for shareholders).

## Developing a business plan for your RSA project

### What is a business case?

A business case is a document that captures the essence of your project and the resources you would need to take your idea to market. The document would be a fundamental means to secure investment. You can find a couple of different templates that you can download and use for your RSA business case (if you want to – or feel free to develop your own structure) in the online [Working Well Toolkit](#).

### What tools can I use to develop a business case?

We'd recommend that you think about doing a SWOT (strengths, weaknesses, opportunities, threats) analysis in relation to your project – you can read more about that and download a SWOT template [here](#):

<http://diyt toolkit.org/tools/swot-analysis-2/>

Then we would recommend you complete the '1 hour Business Case Challenge' activity in the workshop part of this pack.

There are lots of other resources out there that you could use to help you develop your business case – here are a couple you could look at:

- Nesta's DIY toolkit: <http://diyt toolkit.org/>
- BBC Dragon's Den Business School: <http://www.bbc.co.uk/dragonsden/business/>
- British Library Creative Business + IP Centre: <http://www.bl.uk/bipc>
- [Natwest's business planning tools](#)
- Bizcrowd – RBS 'Linked In': <https://www.bizcrowd.com/>

### What can I do to enhance my business case?

- Keep it concise and to the point
- Make it easy to read – consider bullet points, graphics and charts
- SWOT – Strengths, Weaknesses, Opportunities, Threats
- Focus on the positives (but recognise the risks)
- Financials – make sure they are as accurate as possible
- Appendices – add further information that is relevant