



Business Acumen

Thinking like an employer



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About the Tutorial

Business Acumen is defined by the efficiency with which a business-person can understand, interpret, analyze, and deal with a business situation in a professional and profitable manner.

Managers having multiple responsibilities often tend to compartmentalize their own thinking. This might help them in getting the job done, however it doesn't keep the manager ready to face an unforeseen situation. Business Acumen not only gives them the chance to see things from a broader perspective but also makes them aware of the key features that are needed to run an organization successfully.

This tutorial covers the basics of Business Acumen and what it takes to be a successful business-person.

Audience

This tutorial has been designed primarily for young professionals who are interested in understanding what the company expects of them and how they are supposed to interpret their responsibilities.

Prerequisites

Before proceeding with this tutorial, you are expected to have a calm mindset and be open to exploring the suggestions mentioned here.

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1. WHAT IS BUSINESS ACUMEN?

Business Acumen is the art of learning a set of important skills that are needed to be a successful professional. A good sense of business acumen is critical in analyzing the factors that drive a company's performance, like market orientation and strategic implementation.

People tend to simplify Business Acumen as just a set of common sense decisions that reflects the way a company runs. They assume that it only involves brainstorming and persuasion skills. Some are convinced that it's something that's gifted to some people since birth.

To allay any such apprehensions that might crop up in the minds of our readers, let's go through an interesting case study of Southwest Airlines.



Southwest Airlines – 33 Years of Profitability

Southwest Airlines was founded in 1971. As of December 2014, the airline has about 46,000 employees with more than 3,400 flights scheduled per day. Undoubtedly, this is a big airline but what's more striking about them is that they are the ones who are in the business with a record 33 straight years of profitability.

This fact will seem more striking when we look around how the rest of the industry has suffered during the years Southwest was making profits. Many of their competitor fliers have since then shut down, declared bankruptcy or merged. Southwest, on the other hand, goes for the same planes and jet fuels and still manages to pay its employees extremely competitive salaries and benefits.

Now that's something many businesses would love to emulate. After all, running such a large organization so successfully for that long means that they must be doing something right. By their own admission, the secret lies in their **motivational culture**.

Southwest Airlines has a one-of-its-kind **inclusionary method** of involving its employees in the company's business functioning, and it pays a huge importance on providing the best customer service. Their inclusionary method of training includes their Management sharing and explaining the company's financial reports, targets, bottom lines, profits and percentages to its employees. They don't just share the details but also make the people understand what the numbers mean.

It is this open culture that encourages employees to get involved with their job, which in turn motivates them to provide top-class service to their passengers while keeping the expenses in check.

In other words, the management goes out of its way to develop their employees' Business Acumen. By encouraging them to **think like employers and business-persons**, they are making the working process transparent by inviting questions from their employees and managers on not only their own departments, but also those of others.

This leads them to discuss the finer details of their operations like processes, products, staffing along with other innovative designs, decisions and actions which make their service better.

End of ebook preview

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