Can you see the Big Picture?
Developing Business Acumen

Nydia Roman Albertorio
Public Health Group Manager
Federal Systems Integration and Management Center (FEDSIM)
General Services Administration (GSA)
Objectives

- Better understanding of Business Acumen
- Discuss Financial Management Competency
- Skills Inventory
- Matrix for Professional Growth
- How to Highlight Business Acumen
- What’s Next?
Long Story Short…
What, Why and When

Introduction, Definitions and Importance of Business Acumen
What is Business Acumen?

- **OPM Definition:**
  - core qualification that involves the ability to **strategically** manage
    - human
    - financial
    - and information resources

- **Latin “acumen”**
  - meaning “a point,” or “sting.”
  - able to make pointed decisions
  - to have a sharp intellect or to make good strategic moves
Business Acumen Definition

- **General and Organization-specific**
  - knowledge about how things get done and why.

- **Understanding** your particular business and making **decisions** that create a positive impact in your organization.

- A person with strong business acumen skills **understands** various aspects of a business and **how** it's run can make **competent decisions** based on this knowledge.
Business Acumen is in High Demand

- According to a study by Cisco
  - 93% of IT and business executives have a talent gap
  - 42% say business acumen is their biggest skill gap
- No one can exactly prescribe how to achieve this since every organization and industry is different.
- There is no one size fits all approach to this.
- This is learned through actual experiences;
  - you have to pick up the learnings along the way.
Why Business Acumen is Important?

- Needed across individuals at **all levels** of an organization to drive successful strategy execution.
- The key is being **curious** about your organization and **interested** in learning from all different aspects of it.
- There are many skills required including
  - hard skills like financial knowledge
  - soft skills like leadership capabilities
Three Benefits of Business Acumen

Business acumen is essential, as it helps employees understand and reach their goals. Business acumen also has the following three benefits:

**Better efficiency:**
Good business acumen leads to better efficiency, as employees understand the way different elements of the business interact with each other.

**Understanding of consequences:**
Those with good business acumen are likely to think more strategically about their actions, as they’ll understand they have consequences.

**Logical responses:**
Good business acumen helps employees respond logically to issues that may arise, as they understand the context.

Source: Cleverism
When do you need Business Acumen?

- Build your leadership qualifications by taking on initiatives and producing results
- Experience in multiple roles across agencies and departments is highly valued
- Serve at least one year in a supervisory GS-14 or 15 position
- Developing now can give you the knowledge you need to have a long and successful career
Executive Core Qualification (ECQ) #4

Business Acumen
Financial Management Competency

Per OPM Definition:

- Understands the organization's financial processes.
- Prepares, justifies, and administers the program budget.
- Oversees procurement and contracting to achieve desired results.
- Monitors expenditures and uses cost-benefit thinking to set priorities.
Business Acumen and Financial Management

Fiscally sound and responsible decisions

Cost effective approaches

Financial Health of a team, department or organization
Financial Management Competency

N. Roman-Albertorio
Do you have experience in creating a budget and administrating resources?

DONE

- How did I procure and manage resources?
- What obstacles did I face in doing this?
- What was the size of the budget and resources I managed?
- How much money saved?

COMING SOON

- How can I get experience procuring and managing resources?
- What set of skills do I need?
- Where in my organization I can get this experience?
- Who is my POC?
In summary, Business Acumen

- It is a Skill Set
- Incorporates several different skills
- Can be built upon
  - deep understanding of yourself
  - your organization
  - leveraging business resources around you
Skills Inventory

What do I have and what do I need.
Some Important Business Skills

- Leadership Skills
- Effective Communication
- Emotional Intelligence
- Decision-Making Skills
- Networking

- Business Management Skills
- Understanding of Economics
- Data Analysis Skills
- Financial Accounting Skills
- Negotiation Skills
Top 3 Missing Soft Skills

DATA PROVIDED BY THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT

1. Problem-solving, critical thinking, innovation, and creativity.
2. Ability to deal with complexity and ambiguity
3. Communication

Answers compiled from 1000+ human resource professionals in the SHRM 2019 State of the Workplace Report.
Problem Solving

- Solutions
  - Obvious
  - Forced
  - Creative
Critical Thinking

- The ability to make a judgment call or solve a problem by analyzing facts.
- Involves many subskills
  - logical reasoning
  - analyzing data to discover patterns
  - applying those patterns to new situations
  - synthesizing information to create new conclusions
  - evaluating information for truthfulness
- Many modern definitions also include elements of **creativity** and **open-mindedness** in their explanation of critical thinking.
Critical Thinking

- Challenge yourself in your day-to-day work by asking yourself the following questions:
  - What assumptions are present here?
  - Am I actively listening to my conversation partner?
  - Do I fully understand their point of view and how they arrived there?
  - Do I fully understand my point of view and how I arrived here?
  - If evidence is being presented, who collected the evidence? Why did they collect it?
  - What are the potential consequences of this action? How might this action make other people feel?
Communication and Influence

- Communication is a crucial skill
- It’s important to know how to communicate effectively
- Understand what matters to different audiences and stakeholders
- Learn how to communicate a compelling vision and explain the why behind it.
I didn’t have time to write a BLUF.

That's okay. I didn't have time to read your email.
Business Acumen Skills Inventory
Business Acumen Skills **Inventory**

- Make a copy or [download](#)
- Complete your skills inventory
- Select your skill level
- Draft a plan
- Commit to your own development

Scan to download your copy
Now what? How to develop? Where do I want to focus my attention?
How to Develop Business Acumen?

- Study your Agency’s Business Model
- Dig into the financial side
- Understand your customers
- Stay up to date with Industry Trends
- Invest in education
- Become more comfortable taking calculates risks
- Learn how to fail
- Get a Mentor/Coaching
### Where do I want to focus my attention?

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Strategy vs Tactics

Strategy requires thought, tactics require observation

— Max Euwe —

Tactics vs. Strategy
How to Highlight your Business Acumen?

- **Resume**
  - incorporate a skills section on your resume
  - include two of the five of the most relevant business acumen skills you possess
  - work experience section

- **Cover letter**
  - choose one or two business acumen skills that are relevant
  - provide one or two examples of how you've used each successfully

- **Interview**
  - communicate in a concise and easy-to-understand manner
  - STAR method
The STAR Method

**Situation**
Disclose details of the specific event

**Task**
Explain your responsibility in that situation

**Action**
Describe how you accomplished the task

**Result**
Outline the impact of your actions

Source: Kforce.com
Training Opportunities

- Your Agency
- Federal Acquisition Institute (FAI) - https://www.fai.gov/
- Defense Acquisition University (DAU) - https://www.dau.edu/
- Treasury Executive Institute (TEI)
  - OMB MAX account at Max.Gov
  - Email TEI at TEI@treasury.gov - provide your grade and request access to the TEI Community.
- OPM
- Other Federal Agencies
Plan and make time for your professional growth!
Complete the survey to obtain your certificate

¡Gracias!
Nydia Roman Albertorio
Public Health Group Manager
DEIA Community of Interest Chair

nydia.roman-albertorio@gsa.gov
linkedin.com/in/nydiaroman
202-285-9530