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Bussiness Capabilities Elements

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Business Capabilities Elements

For Sales & Management Teams

Business Acumen

Refers to the ability to understand and apply knowledge about;

- How A Company Makes Money,
- How Its Business Functions, And
- How Market Dynamics Affect Profitability
- How Market Dynamics Affect Business Performances

For Sales And Management Teams, Developing Strong Business Acumen Is Crucial For;

- Making Strategic Decisions,
- Driving Revenue, And
- Aligning Sales & Management Teams Efforts With Broader Business Objectives.

Key Elements of Business Acumen

Below Are The Key Elements Of Business Acumen

1. Financial Literacy

- Understanding Financial Statement (Profit & Loss, Balance Sheet, Cash Flow).
- Knowing Key Financial Metrics (Revenue, Profitability, Gross Margins, And Operating Costs)
- Grasping The Implications Of Financial Decisions On The Business, (Pricing, Investment In Resources, Or Cost-Cutting)

2. Strategic Thinking

- Ability To See The Big Picture And Align Decisions With Long-Term Business Goals.
- Understanding How Different Parts Of The Business (Marketing, Finance, Operations) Interconnect.
- Identifying Risks And Opportunities In The Market And Making Decisions That Support The Company's Strategy.

3. Market Awareness

- Understanding The Competitive Landscape and Market Trends.
- Awareness Of Customer Needs, Market Preferences, and Buying Behaviors
- Recognizing External Factors (Economic Shifts, Regulatory Changes, Technological Advancements) That Impact The Business.

4. Customer Orientation

- Understanding The Customer's Business, Their Pain Points, and How Your Products or Services Provide Value.
- Aligning Sales and Management Strategies with Customer-Centric Goals.
- Building Strong Customer Relationships and Providing Solutions That Solve Real Business Problems.

5. Decision-Making and Problem Solving

- Making informed, data-driven decisions that impact business outcomes.
- Balancing short-term needs with long-term objectives.
- Ability to weigh pros and cons, evaluate options, and make decisions quickly.

6. Operational Understanding

- Knowing how different business functions (sales, marketing, production, supply chain) operate and contribute to overall success.
- Understanding how efficiency, productivity, and resource allocation impact profitability and growth.
- Ability to spot bottlenecks or inefficiencies and propose improvements.

7. Risk Management

- Identifying potential risks (financial, operational, market-related) and taking proactive steps to mitigate them.
- Balancing risk-taking with risk avoidance in decision-making.
- Preparing for business disruptions, economic downturns, or unexpected market shifts.

Business Capabilities Development Plan

Business Capabilities Enhancement of The Sales and Management Teams are consist from these Learning & Development Plan below;

1. Provide Financial Training

- Workshops and Courses:

Offer internal or external training on financial literacy, covering financial statements, key metrics, and how financial decisions impact business outcomes.

- Case Studies:

Use real-world business cases to help team members understand how to analyze financial health and make strategic decisions based on numbers.

- Role-Specific Financial Impact:

Teach teams how their decisions (pricing, discounting, upselling, etc.) impact the company's bottom line.

2. Encourage Cross-Functional Collaboration

- Job Rotations:

Have sales and management teams spend time in different departments (operations, marketing, finance) to understand how each function works and how their role impacts the entire business.

- Cross-Department Projects:

Create opportunities for collaboration on cross-functional initiatives, which fosters a better understanding of how different teams contribute to the company's success.

3. Simulations and Scenario-Based Training

- Business Simulations:

Use tools and workshops that simulate business environments, allowing teams to make decisions and see how they affect various aspects of the business (e.g., revenue, operations, market positioning).

- Scenario Planning:

Provide hypothetical business scenarios and have teams develop strategic plans to address changes in demand, competition, or market dynamics.

4. Market and Customer Insight Training

- Market Research Education:

Teach teams how to read market research reports, understand industry trends, and identify competitors' strengths and weaknesses.

- Customer Business Acumen:

Train salespeople to deeply understand their customers' businesses, industries, and specific challenges. This way, they can align their sales approach to offer tailored solutions.

- Customer Conversations:

Role-playing exercises where team members practice understanding a customer's business challenges and framing the product or service as a solution to those challenges.

5. Mentorship and Coaching

- Pair with Leaders:

Pair less experienced employees with leaders who have strong business acumen. This allows them to learn by observation, asking questions, and receiving guidance.

- Ongoing Feedback:

Managers should provide continuous feedback on decisions, helping their teams understand how their actions impact the broader business and encouraging better decision-making.

6. Strategic Thinking Workshops

- Big Picture Focus:

Conduct training sessions that help sales and management teams think strategically about business growth, market opportunities, and competitive positioning.

- SWOT Analysis Training: Teach teams how to conduct SWOT analyses (Strengths, Weaknesses, Opportunities, Threats) for both the company and competitors to improve strategic thinking.

7. Incorporate Business Acumen in Performance Reviews

- Link KPIs to Business Outcomes:

Ensure that key performance indicators (KPIs) for sales and management are tied to business performance. For example, measure not just revenue generation but profitability and customer retention.

- Reward Strategic Thinking:

Recognize and reward team members who make decisions that align with long-term business goals, increase efficiency, or drive profitable growth.

8. Develop a Learning Culture\

- Access to Knowledge:

Provide access to business journals, industry reports, webinars, and conferences to keep teams informed about the latest market trends and business practices.

- Encourage Curiosity:

Create a culture where team members are encouraged to ask questions, explore new ideas, and seek continuous improvement.

9. Utilize Data Analytics and Business Intelligence

- Dashboard Insights:

Provide access to business intelligence dashboards and tools that offer real-time insights into sales performance, market trends, and financial health.

- Data-Driven Decision Making:

Train teams on how to use data and analytics in decision-making processes, ensuring that they understand the implications of their decisions on business outcomes.

Conclusion

To ensure that your sales and management teams develop strong business acumen, focus on a combination of **training, real-world experience, and ongoing learning**.

Providing financial literacy, strategic thinking exercises, and cross-functional exposure will help them understand the broader business landscape.

Additionally, continuous mentorship and real-time feedback will help instill this knowledge in day-to-day operations, ensuring that your team can make decisions that positively impact the business.

Enhance Management Teams

Business Risk Mitigation Acumen

This assessment training on developing business risk mitigation acumen involves the learning on how to identifying, assessing, and addressing potential threats that could negatively impact a company's operations, profitability, or growth.

Effective risk mitigation is essential for maintaining stability, ensuring long-term success, and fostering a proactive business environment.

For sales and management teams, understanding and implementing risk mitigation strategies is crucial in order to safeguard the business against financial losses, market fluctuations, and operational disruptions.

Key Elements of Business Risk Mitigation

1. Risk Identification
2. Risk Assessment
3. Risk Prioritization
4. Risk Mitigation Strategies
5. Risk Mitigation Planning, Monitoring,
Reporting
6. Business Continuity Planning
7. Developing Risk Averse Management
Culture

Risk Identification

Identifying potential internal and external risks that could negatively affect business operations.

Types of Risks:

- Financial Risk:

Market volatility, pricing, credit issues, currency fluctuations.

- Operational Risk:

Equipment failure, supply chain disruption, process inefficiencies.

- Market/Competitive Risk:

Changes in customer demand, competitive pressure, technological advancements.

- Legal/Compliance Risk:

Regulatory changes, non-compliance with laws, contractual obligations.

- Reputational Risk:

Negative publicity, customer dissatisfaction, product recalls.

Implementation:

1. Conduct regular risk assessments and audits.
2. Engage employees from different departments to identify potential risks from diverse perspectives.

Risk Assessment

Evaluating the likelihood and potential impact of each identified risk elements:

- Likelihood:

How probable is the risk?

- Impact:

What is the potential damage if the risk occurs?

- Risk Matrix:

Plot risks on a matrix to prioritize based on likelihood and impact.

Implementation:

1. Use data and historical performance to estimate the likelihood and severity of risks.
2. Create a risk register that log identified risks and assesses their potential impact.

Risk Prioritization

Focusing on the most critical risks prioritization that could severely affect the business.

Elements:

- Urgency:

Risks that are more imminent or can cause significant disruption should be prioritized.

- Resource Allocation:

Focus resources on high-priority risks that pose the greatest threat to the business.

Implementation:

1. Rank risks according to their likelihood and impact, with a focus on “high-impact, high-probability” risks.

2. Use the **Pareto Principle (80/20 rule)** to focus on the few risks that could cause the **most harm**.

Risk Mitigation Strategies

Developing strategies to reduce the likelihood or impact of identified risks.

Types of Mitigation:

- Avoidance:

Eliminate the risk by changing business **strategies** or **operations**.

- Reduction:

Minimize the **occurrence** or **impact** of the risk.

- Transfer:

Shift the risk to another party (e.g., insurance, outsourcing).

- Acceptance:

Accept the risk and develop **contingency plans** if it materializes.

Implementation:

1. Develop contingency plans for high-priority risks, outlining specific actions to be taken.
2. Invest in technology or tools that help monitor and manage risks, such as automated alerts for operational disruptions.

Mitigation Monitoring & Reporting

Continuously tracking and reviewing risks to ensure mitigation strategies are effective.

Risk Tracking Elements:

- Key Risk Indicators (KRIs):

Set metrics to track risk levels in every positions in every Job Descriptions, set Risk Reduction Planning on the KPI settings, and set a list of Risk Proneness and The Mitigation Steps at every SOP (standard operation procedures) on every Business Process. Set this as a static regulations that has to be review periodically at every bimonthly, or half year, or yearly management meetings.

- Regular Audits:

Perform regular risk audits to ensure risks are being managed and mitigated. Plan the audits to be set on monthly. In between the period, do the risks occurrence evaluation at the beginning of each week, at Monday Morning.

Plan the weekly Risk Mitigation lists of steps, to be done in every section of the manufacturing floors, on every department.

Direct this Risk Mitigation Strategy to ensure the safety of the business and the manufacturing operations during every week.

- Reporting:

Share risk assessments and mitigation status with key stakeholders and management. For setting this in the progressive planning, monitor the occurrence of the risks. State the level of the Risk proneness that has happened that day. Evaluate these conditions and prevent any danger from occurring

Implementation:

1. Establish Risk Dashboards and Use Software To Continuously Monitor Key Metrics.
2. Implement Regular Check-Ins With Management Teams To Review And Adjust Risk Mitigation Plans.

6. Business Continuity Planning

Developing a plan to ensure business operations can continue during and after a crisis.

Elements:

- Contingency Plans:

For key risks, have a step-by-step action plan in case the risk occurs.

- Backup Systems:

Implement redundancy in critical systems (e.g., data backup, secondary suppliers).

- Emergency Response Teams:

Establish a crisis management team trained to handle disruptions.

Implementation:

1. Regularly test and update business continuity plans through simulations or drills.
2. Make sure employees know their roles and responsibilities during a crisis.

7. Developing Risk Averse Management Culture

Creating a culture that values risk awareness and proactive risk management.

Elements:

- Awareness:

Ensure all team members are aware of potential risks and how they can impact the business.

- Empowerment:

Encourage employees to speak up and report risks or issues.

- Accountability:

Assign clear ownership of risk mitigation efforts.

Implementation:

1. Integrate risk awareness into the company culture by educating staff on their roles in mitigating risk.

2. Encourage a proactive mindset toward identifying and addressing risks early on.