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# COMMERCIAL AWARENESS

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*A short guide to understanding, developing and utilising  
your commercial awareness*

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# FOREWORD

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Welcome! Thank you for downloading my short guide to commercial awareness. By way of introduction, my name is Harry and I'm both a Future Trainee at Baker McKenzie and avid legal blogger. You can find out more about me at the end of this book.

I decided to write this e-book as an attempt to concisely compile my thoughts and advice on how to tackle commercial awareness in its entirety - understanding it, developing it and ultimately using it. Commercial awareness can often be a confusing concept to grapple with, but I hope that by the end of this short guide you'll confidently be able to answer the following questions about it:

- *What is it?*
- *Why do I need it?*
- *How do I get it?*
- *How do I use it?*
- *When can I use it?*

I've done my best to write this e-book with the aim of answering such questions. Having been a commercially-unaware law student once before, with no idea how important it was to *any* client-based career, I've also tried to address the common pitfalls and misconceptions regarding commercial awareness I feel (from experience) that its all too easy to run into. Catering to everyone's learning style is difficult, but I hope that the mix of case studies, thought exercises, diagrams and examples help you visualise the concepts this guide discusses.

I really do hope you find this e-book both informative and enjoyable. If, however, you (unfortunately) find yourself with more questions than answers at the end of it, I've included both some further recommended reading from various sources, as well as my own contact details at the end to help.

Enjoy!

- Harry

# PART ONE

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## DEFINING COMMERCIAL AWARENESS

If you Google the term ‘commercial awareness’ in an attempt to find its definition, you could quite easily end up more unsure as to what it is than before you started. Definitions can vary quite broadly depending on where you search and who you ask:

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- *“Staying up-to-date on daily happenings and developments in the business and commercial world” – allaboutlaw.co.uk, at <https://tinyurl.com/allaboutlaw-ca-def>*
  - *“The ability to understand what makes a business or organisation successful” – skillsyouneed.com, at <https://tinyurl.com/syn-ca-def>*
  - *“Understanding the business environment within which a law firm and its clients operate” – lawcareers.net, at <https://tinyurl.com/lc-ca-def>*
  - *“Not so much a skill, as a way of thinking” – targetjobs.co.uk, at <https://tinyurl.com/tj-ca-def>*
  - *“Knowledge of how businesses make money, what customers want, and what problems there are in particular areas of business” – Cambridge Dictionary, at <https://tinyurl.com/ced-ca-def>*
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The reality is that commercial awareness doesn’t really have one, all-encompassing definition, but is rather an amalgamation of the concepts outlined above. It is a skill, habit, mind-set, approach and many other things all rolled into one. This makes it quite distinct from other concepts and skillsets that professionals may employ in their day-to-day practice, such as negotiation or listening skills. Whilst there is certainly discrepancy about the best way to go about those aforementioned practices, the core *ideals* of the term - what it is for, what it is, etc. - are generally universally understood by most people (at least at a basic theoretical level) and therefore much more easily studied and learnt.

To try and resolve this difficulty of understanding, it can be really useful to break down commercial awareness into two distinct, complementary sections: **external** and **internal** commercial awareness. Let’s try and dig into this idea a little deeper.

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# EXTERNAL COMMERCIAL AWARENESS

External commercial awareness is the type more generally emphasised among students. It involves a focus on how a firm's clients might be affected by changes in the business world. The term 'external' applies as it is not a direct focus on the internal workings of the firm, but rather how 'external' events like regulatory changes and trade deals can affect a client's approach to a problem across a number of areas, including (but not limited to):

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- **Access to capital and finances** - *how might a news event affect a client's ability to access more/less of their finances? How does this affect their willingness to spend big?*
  - **Willingness to take risk** - *does the news event signal an uptake/decrease in a client's willingness to take risk? How about their specific industry, or the global markets, as a whole?*
  - **Industry-specific goals** - *has this news event signalled a revolutionary overhaul or minor, specific amendment to the client's industry? Are they well equipped to deal with it?*
  - **Currency ramifications** - *how might a news event affect exchange rates worldwide? For clients that are reliant in trading, importing and/or exporting in that currency, have they lost or gained purchasing power as a result of this?*
  - **Liquidity** - *how might a news event affect how quickly a client can exchange its assets for cash? Might that event put pressure on them to do just that?*
  - **Regulatory obstacles** - *how might a news event signal a coming change in regulation or law? Is the client prepared for this change? Will it require significant overhaul?*
  - **Retaining high-quality staff** - *how might a news event affect the supply of highly-trained staff or graduates? Might it change what the client is looking for from them in future? Will other aspects, like visas or tax implications, be affected?*
  - **The supply chain** - *how might a news event affect a client's suppliers' business?*
  - **Technological advantage** - *might a news event signal a need for technological evolution in a client's business model? How will it integrate practically, as well as in other areas such as training, regulation and running costs?*
  - **Threat to company values** - *will a news event threaten a client's specific company values?*
  - **Confidence of investors** - *will a news event shake the confidence of a client's investors?*
- 

The above are just some examples of how a news event might force a client (and by extension, your firm) to reconsider what the client is attempting to achieve in their partnership with you. Being externally commercially aware means that when a client comes to you with a problem to solve, you'll be able to account for the relevant factors and news events that may impact how you'll solve the problem and/or if you think the client will need to be aware of future developments in both a short-term and long-term timeframe. We'll

focus more on how we normally perceive such news events from a personal perspective and how to do so with a commercially aware mindset in Part Two of this guide. For now, let's turn our attention to 'internal' commercial awareness.

## INTERNAL COMMERCIAL AWARENESS

Internal commercial awareness is subtly different to its external counterpart. Rather than focusing on keeping an eye on the news and geopolitical landscape, internal commercial awareness instead demands that an individual analyse the inner workings of how the firm or company they are working for is operating as a *business*. As a result, there is less of an emphasis on, say, reading the Financial Times to learn about economic markets, but instead on learning about new products, business models, client solutions and other developments specific to *your* industry (not just your client's). An externally commercially aware lawyer, for instance, can help guide their client's international business merger through the likes of Brexit, trade wars and regulatory proposals. An internally commercially aware lawyer, however, is able to analyse the current business practices, values and models that their firm is applying and see where innovation might be needed. It also encompasses a sense of self-awareness - knowing how their role within the company functions and their most important dependency relationships in their firm. For example, an internally commercially aware lawyer might analyse the following aspects of their firm as a business:

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- **Technology** - *how does tech play a role in delivering our services to clients? When was it last reviewed? Are there any new technologies we should be exploring? Is there a training hurdle to overcome in order to implement this? Do we have a single point of failure? What is the path to upskilling to be comfortable with tech in future?*
  - **Culture** - *what is the firm's work culture? Does it encourage collaborative working? Are there any differences between what our culture is and how it is perceived? How do we implement change, should we need to?*
  - **Expansion** - *what markets are currently emerging that we need to be stronger in? What is the mission statement of the firm for the future? How can I play my part in it?*
  - **Career pathways** - *what area will I likely move on to after this current role? Will it remain strictly legal, or attain other elements such as management, tech or consultancy?*
  - **Efficiency** - *what measurements can I currently make of my own efficiency? How might this affect others who depend on my work? How can I maximise it? How will this help the firm service its clients?*
  - **Suppliers** - *what 3rd parties help supply the firm's recruitment, IT, marketing or accountancy? Is there an opportunity to collaborate on a new project? Might there be opportunity for re-negotiation? How can we minimise cost whilst maximising the value derived from these relationships?*

- **Client relationship** - *how can we best please the client in this current situation? Will it likely lead to repeat business in future? What is the best pricing model, or way to approach this current situation, based on our firm's capabilities?*
- 

Even in the brief examples given above, you can see how these questions ask an individual to think on a micro-level about their own contribution, efficiency and working style, as well as the bigger picture macro-analysis of how the firm (or office) as a whole is moving towards certain goals.

Being equally versed in these two synergistic elements of commercial awareness will allow you to fully encompass all of the relevant factors when it comes to solving a problem in your firm. If a client wants to achieve something, you'll be able to know not only the best way to deliver that service based on *your* understanding of *your* firm (and the role you'll have to play/the others you'll have to work with), but also how their needs might change in future and the potential for repeat business.

## EXERCISE – *Finding your Fit*

Trying to visualise internal commercial awareness can sometimes be quite difficult - especially if you haven't had any direct experience working in a law firm (other any office environment for that matter). To help you do this, this exercise will ask you to think about what would happen should your role/the one you're applying to cease to exist. You might then start to ask yourself the following questions:

- What tasks would go unaddressed if you (or someone else in that role) were not there to deal with them?
- Who, or where else in the company, would be waiting on the final product you were supposed to produce?
- How would your absence affect their ability to do their job?
- How would this you-shaped-hole affect the broader efficiency, profit and/or customer satisfaction of your firm? Might there be global ramifications, if the work is cross-border?
- How does this affect the client's expectations?
- How might would your role in mentoring more junior positions at the company, or helping to promote the firm's values, now have to be facilitated?

As you can hopefully grasp from the concepts above, a law firm is one big machine powered by lots of smaller cogs. Each individual, in each role, adds value and contributes toward the work that the firm produces on behalf of its clients. Take out one piece and the machine will stutter or begin to slow. Take out only a couple more and the whole thing could collapse. Understanding how each person plays their part is therefore vital .

This continuing system of exchanging documents, notes, improvements and edits is scaled across levels of seniority. Let's take a brief hypothetical scenario as example. If a Trainee fails (or refuses) to complete a due diligence report correctly and misses vital details, an Associate or Partner may have to 'repair' their work whilst trying to preserve the client relationship, who may now be agitated at having to spend more time and/or money to fix the mistake. They might even lament the firm's incapability in feedback, or terminate the relationship entirely (assuming the missed due diligence was significant enough to cause them financial harm). This, in turn, can reflect poorly on a Partner's department, who has to report to their boss on their performance for the financial quarter...and so on. One mistake at a junior level - with a bit of hyperbole in this example to help illustrate this concept more clearly(!) - can demonstrably have further-reaching ramifications down the line.



# MISCONCEPTIONS OF COMMERCIAL AWARENESS

When trying to understand a new concept, it can be just as useful spending some time figuring out what something *isn't* as much as what it *is*. Myth busting common misconceptions will prevent you from making the same mistakes out of habit in future, as well as allowing you to replace your understanding with more accurate detail and knowledge. If you can develop a true understanding of commercial awareness, you'll make more informed decisions and be able to solve problems better as a result. Without it, you'll be likely to make mistakes, confuse clients or (worse) lose your working relationship with them entirely. Let's go through some common misconceptions - many of which I used to believe - regarding commercial awareness, below.

MYTH	REALITY
<i>"Its needing to read the news every few months or so"</i>	Clearly, reading some news is better than reading no news, but its still an inefficient approach to understanding what commercial awareness is. By only updating your knowledge on an infrequent basis, you'll quickly find that - especially in our modern, connected world - you'll be out of date or behind the competition before you know it.
<i>"If I read the headlines then I'm commercially aware"</i>	Again, some news is better than no news - but true commercial awareness is more than just reading a newspaper. You need to be able to understand the themes, trends and undercurrents that are behind the headline, as well as any indicators of what might come next or be of concern to your clients. More in Part Two.
<i>"You need to be able to predict the future"</i>	There is an element of 'forecasting' in learning about/applying commercial awareness, but it's a far cry from being an unfailing, all-seeing prophet. You need to be able to make rational, informed decisions that extrapolate from some form of data, reasoning or trend - historical or otherwise.
<i>"I need to know one article, news story or legal business theory really, really well"</i>	The temptation to focus solely on one topic or news story stems from a misrepresentation of many job recruitment processes. One of the ways a recruiter can test your commercial awareness is to ask you to describe how one event of your choosing will impact both the company and their clients. Preparing one answer really well for this scenario will help in this instance, but it won't demonstrate a broader understanding of commercial awareness that is tested in other assessments and interviews (which is what they are <i>really</i> looking for). More on this in Part Three.

## WHY IS IT SO IMPORTANT?

The importance of commercial awareness is essentially two-fold - for your own personal career development and for the benefit of your firm's clients.

Firstly, from a recruitment perspective, having a commercially developed mindset is nothing but advantageous to your career. Law firms invest a lot of money in their trainees and entry-level roles and as such want to ensure they can invest in a high-quality candidate. They need their investments to not only hit the ground running in terms of their duties, but also demonstrate willingness to learn and grow. They need to see a 'return' on their investment in the form of a highly-skilled, highly-polished lawyer that is great at working with clients. It is this process, multiplied across the firm, that allows a group of lawyers to handle client problems in a commercially-sensitive manner, able to assist with their problem and collectively know what to look out for or *why* the client is asking for what they want to achieve. It is for this reason that nearly all law firms (as well as other client-facing roles, such as those in banking or consultancy) 'litmus test' for commercial awareness continuously throughout their recruitment process. Again, more on this in Part Three.

Secondly, commercial awareness is another method that lawyers can use to instill client confidence in their abilities, alongside letter-of-the-law knowledge or strong interpersonal skills. Solicitors aren't legal search engines - nearly anyone can do that. Instead, they are trusted business advisors with highly specialised industry knowledge and sufficient *experience and acumen* (read: commercial awareness). They need to be flexible enough in their knowledge to advise with a broad remit of potential client queries, whilst still having enough specificity and detail to assist with niche claims in the most specific areas of their expertise. This concept was nicely surmised in an interview I recently did with Jeremy Grunfeld, who worked as a lawyer before joining the Australian start-up Inside Sherpa:

*"Something that no-one tells you at law school: **clients don't really care about legal information.** They really don't. They don't want a lawyer to just tell them legal information - if they did, they would look it up on Google themselves. **What clients want is a trusted advisor.** They don't want you to rattle off pieces of legislation and names of cases. **They want commercial, concise advice.**"*

As you can see, the above speaks to a subtle distinction between a misconception of what lawyers provide for their clients (solely letter-of-the-law legal knowledge) and what they really do to help clients *in the way they want to be helped* (commercially aware, to-the-point, advice). So now we've established it is important, as well as some ideas of what it *really* is, how do you actually *develop* your commercial awareness? Let's take a look in Part Two.

# PART TWO

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## DEVELOPING YOUR COMMERCIAL AWARENESS

We've established in Part One some of the introductory concepts regarding commercial awareness, as well as its importance as a skillset. So how can you develop it? The truth is there's no real 'one' way about it. As previously explored, commercial awareness is a two-fold culmination of experience, acumen, knowledge and general understanding of how firms and their markets operate. Any movement on the needle towards that goal, such as reading the news, can be considered for all intents and purposes a 'good' method for developing it. Having said that, there are ways to maximise your learning and be as efficient in your approach to commercial awareness as possible, so that you can then apply it where needed later on (job application, interview etc.). Part Two of this guide analyses the best practices to help you develop your commercial awareness as a mindset, perspective and habit.

## HOW WE PERCEIVE NEWS AND INFORMATION

Before we begin, it's worth spending some time thinking about how you currently get your news and information about the world, as well as what you do with that information when you have it. We all process, interpret and analyse articles, data and news stories on a daily basis (perhaps some more than others). As a result - and often without us knowing - we have developed our own mechanisms for interpreting the world around us. When we see a news event happen, we generate instantaneous reactions based on our own political affiliation, geography and countless other factors. Two people can look at the same news article - say, the confirmation of the 'Leave' vote winning the Brexit referendum in 2016 - and draw vastly different conclusions not just about whether they 'like it' or not, but subtler interpretations of those involved in the story or reacting to it. These thoughts and feelings are often not limited to the immediate industry or category of a problem, such as politics, but can spill over into views on the economy or social sentiments of a country as a whole. Whilst the example of Brexit is quite clear in how it could divide opinion, there are less obvious examples where this phenomena of personal interpretation limiting our understanding can still come to fruition.

To help illustrate this, let's map out an individual's potential reaction to a news event and the types of questions they might ask in a diagram. Then, let's comparatively look at a other perspectives and interested parties that a commercially aware lens might also consider about that same article that a personal one wouldn't.

**Potential Reactions to Vote Leave  
winning the Brexit referendum in 2016**

**Lawmaker's Perspective:**

- "What new legal precedents may we need to give an opinion on?"
- "Will a review of the current legal framework be necessary?"
- "How can we minimise disruption should any changes be put forward?"

**Supplier Perspective:**

- "Will we still be able to procure our necessary materials in the same way? If not, how might this impact cost?"
- "Might we have to review our current trading agreements with other parties?"

**Personal Perspectives:**

- "I didn't vote this way, so I disagree with the outcome"
- "How will this affect my ability to travel?"
- "Will we be able to spend our EU budget domestically instead?"

**Firm's Perspective:**

- "What will this mean for our clients?"
- "How should we future proof ourselves in various Brexit scenarios?"
- "What will the legal landscape look like once we leave?"

**Client Perspective:**

- "What do we need to do to prepare for a post-Brexit UK?"
- "How does this impact our supply relations with the EU?"
- "What legal questions do we need our lawyers to answer?"

The above diagram speaks to the idea that commercial awareness is a more-encompassing perspective, or lens, one can view a problem through. We all view news events through our own personal perspective on a daily basis, with our own prejudices, preconceptions and ideologies, often without us knowing. A commercially aware perspective demands that we look beyond our own initial reaction to headlines, news events or changes. Instead, look outside of your own immediate opinion to consider how other parties (your firm, its clients, suppliers, other consumers etc.) will interpret the event. Having an idea of the kind of questions these parties will likely ask when confronted with the event at hand is the first step to adding a commercially aware lens to your toolkit when solving a problem. So how can we fully encompass all of these perspectives?

## SWOT AND PESTLE

The SWOT and PESTLE mechanics have remained a historically functional way to analyse problems, companies and news events for good reason - they work. Both are useful tools to have in your skillset to help you develop your commercial awareness perspective. They both build on the concepts above of having a clear perspective on a client's problem with multiple avenues of consideration. Let's take a brief look at them below.

Firstly, the SWOT acronym stands for Strengths, Weaknesses, Opportunities and Threats. It's primarily useful for assessing a company, firm or client's current position before deciding on how they want to approach their goals or deal they may be pursuing. It's simple, quick to use and easy to understand, which makes it a great starting point from which to develop your commercial awareness. Let's take a look at a SWOT analysis matrix:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• What currently helps differentiate this company from it's competitors?</li> <li>• Is there anything they are well-known for in particular, or that only they can provide?</li> </ul>	<ul style="list-style-type: none"> <li>• In what areas is the business currently lacking?</li> <li>• Is the business overly reliant on one product, business model or way of thinking?</li> <li>• What can their competitors do that they can't?</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Where can the business look to grow in future?</li> <li>• Are there any untapped markets that would be a good for their current business model?</li> <li>• Is there a potential for collaboration with another business or service provider?</li> </ul>	<ul style="list-style-type: none"> <li>• What does the business need to look out for in future?</li> <li>• How Is the business currently underdeveloped/unprepared with regard to potentially disruptive changes in their industry?</li> <li>• How will weaknesses potentially be capitalised upon by others?</li> </ul>

As you can see, a SWOT analysis matrix is a really useful way to map out all of the potential upsides and downsides to a client or organisation's current position. Holistically considering a company's USPs, weak links, chances for development and outside threats will give a pretty clear picture of what the company might want to take as its next steps. For lawyers, it's important to balance your considerations of a client's current position (through SWOT analysis) with where they want to be (post-legal services) to see what you need to look out for. It can also be used for counterparties, say as a pre-negotiation tool.

Secondly, PESTLE analysis is another simple-to-use tool. It is great at helping companies get a feel for the market and environment in which they want to pursue their new goal, deal or ambitions, which you as their lawyer would have to help navigate. It's therefore imperative you are able to help your client understand the legal qualities of their proposals in light of the many factors affecting and sub-categories of the market they wish to do business in. Here's a basic PESTLE table with a handful of prompts to help illustrate this concept visually:

<b>POLITICAL</b>	<ul style="list-style-type: none"> <li>• What are the potential political factors at play in a given scenario?</li> <li>• Are these limited to just one jurisdiction, country or continent?</li> <li>• How might solutions proposed by either side of the political spectrum impact a given situation?</li> <li>• Are there any new potential policy implementations of significance?</li> </ul>
<b>ECONOMIC</b>	<ul style="list-style-type: none"> <li>• How is the financial health of the markets in which the company operates?</li> <li>• How does this reflect in the company's historical stock pricing?</li> </ul>
<b>SOCIO-CULTURAL</b>	<ul style="list-style-type: none"> <li>• How is the company perceived by its consumers?</li> <li>• What role does the company play in driving our collective culture and social framework?</li> </ul>
<b>TECHNOLOGICAL</b>	<ul style="list-style-type: none"> <li>• How is the company currently developing its technological capabilities?</li> <li>• Will this change in future? How?</li> </ul>
<b>LEGAL</b>	<ul style="list-style-type: none"> <li>• Are there any significant legal principles that a company should know about?</li> <li>• Does the company consistently require one type of legal transaction or assistance? Why?</li> </ul>
<b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>• How 'green' is the company? Is it a big part of their values and brand?</li> <li>• How will the company's actions be incentivised or cracked down on with taxation policy? Can they foresee this and work it to their advantage?</li> </ul>

Again, you can see how this tool helps lawyers understand the greater ramifications of a client's proposals beyond the immediate legal concerns or advice they may give. Coupling a SWOT matrix and PESTLE framework together will give you an honest, holistic view of what you, your firm and ultimately your clients need to consider when attempting to fulfil a certain business goal or need. Together, they accommodate an analysis of the market and environment for the goal with an analysis of the parties attempting to achieve it. These two concepts are both fundamentally important to even the most basic notions of what commercial awareness is and how you can begin to develop and use it.



## CASE STUDY – Facebook

To put these two new tools of SWOT and PESTLE analysis to the test, let's consider a mock scenario to apply them to. Let's pretend we are acting on behalf of one of the most well-known companies around the world - Facebook - and conduct a SWOT and PESTLE analysis to understand the business *before* we begin to consider the specifics of what legal services they may require from us.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>• Inimitable brand image + recognised around the world</li><li>• Consistently rising revenue stream, above \$50bn per year since mid-2018</li><li>• Nearly 2.5 billion monthly active users</li><li>• Widely adopted, user-friendly interface</li><li>• Some diversification of platform, e.g. Facebook for Businesses</li></ul>	<ul style="list-style-type: none"><li>• Lack of trust from many users, especially on data privacy grounds (e.g. Congress hearing)</li><li>• Does not have monopoly on certain social media categories, e.g business w/ LinkedIn</li><li>• Use of ads worsens user experience and fuels public distrust ('FakeNews', Cambridge Analytica, may affect ad revenue)</li><li>• Only one real form of revenue stream (ads)</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>• Marketing is increasingly digital and global, where Facebook shines</li><li>• Vast user base allows for targeted ads for marketers, increasing traffic + effectiveness for advertisers</li><li>• Diversification of business model with VR, crypto and other non-social ventures</li></ul>	<ul style="list-style-type: none"><li>• Ever-increasing users and data FB must hold raises data storage and cybercrime concerns</li><li>• Smaller competitors with more niche applications (MeetUp, LinkedIn, auction sites etc.) are increasingly tailored and efficient at what they do vs FB</li><li>• Large user base + increased levels of distrust may see rise of spam/fake content/users</li></ul>

To summarise the above, Facebook continues to be one of the world's most recognisable brands and plays a fundamental role in the interconnectivity of billions of people around the world on a daily basis. It has begun to diversify from its initial purpose to simply 'connect' with others, allowing businesses and marketers to target ads and develop an online commercial ecosystem. This may come at a cost, however, to issues of public trust and data concerns. Other sites, like LinkedIn and Twitter, have taken some of its (dominant) market share, whilst the continuing capabilities of mobile apps and networks (e.g. Snapchat, MeetUp and others) have forced FB to remain relevant in these areas too. The company's significant revenue stream will allow for investment in a multitude of projects and sizes, as well as large takeovers (Instagram), but it still faces a number of barriers to further adoption of its services. It has limited influence in some countries and needs to minimise its future risk exposure.



As for a potential PESTLE analysis of several factors for Facebook:

<b>POLITICAL</b>	The company has faced significant political pressure recently, facing allegations of censorship, data privacy, supporting FakeNews and allowing election interference. It is still yet to be adopted in some countries, e.g. China. It has a huge influence on voters' views + influence on how they access information, especially for elections.
<b>ECONOMC</b>	Facebook's stocks have fluctuated, particularly in response to political developments above. This affects clients' faith in the business and can affect revenue. However, the company also employs many people and provides a platform for many businesses, start-ups and entrepreneurs.
<b>SOCIO-CULTURAL</b>	Facebook has an undeniable part to play in our culture and social interactions with one another. It has shifted significantly from its original functions to just connect with others, now providing marketplaces and groups, as well as targeted ads and 'promoted' content on its algorithm.
<b>TECHNOLOGICAL</b>	The platform functions on both web and mobile, allowing connectivity between the two. Chatbots, bookings and cross-linking to other sites are commonplace. However, more users = more data = more potential breaches/risk. Increasingly visual content also demands more storage.
<b>LEGAL</b>	Facebook is becoming increasingly known for data breaches, with monetary as well as social/trust ramifications. Concepts such as user consent and ownership of data need to be at the forefront of their thinking.
<b>ENVIRONMENTAL</b>	Alongside its ability to spread social and cultural awareness, Facebook must be able to demonstrate corporate social responsibility too. Further focus on renewable energy for its vast data centres could be considered.

Facebook has come a long way from its humble origins. Originally centred on social connectivity, its business model now accommodates corporate needs more and more and floods users with targeted advertising. The company has faced a string of scandals in recent years, each raising questions on the company's influence in the political/social sphere, as well as spreading greater levels of distrust throughout its user base. It faces a number of barriers to adoption, some beyond its control. Its reliance on a primarily advertising-focused revenue stream has its own limitations, but at the same time allows the service to be free for everyone which has driven popularity and its user base. A significant stream of both revenue and profit has allowed the company to continuously expand where it can, as well as explore other industries/products such as cryptocurrency and virtual reality. How all of the above will tie in a coherent future vision of what the site will do/how it will function in future remains to be seen. Amid growing concerns from the public, the company must ensure to act with client's concerns first and learn from its past mistakes regarding data privacy and advertising.

# THE BEST FIRST STEPS

So, now that we've covered two of the best tools for analysing problems and companies, how can one go about finding the information needed to fill in those tables and matrixes? When starting out with developing your commercial awareness, it's best to take small steps and try to build your habits of reading the relevant information into what information streams you already have now. Before we dive into this, let's briefly reconsider what we've already covered. If, for example, the commercial awareness process were to be represented from beginning to end visually, it would probably look something like this:

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**Understand how firms, clients and companies operate as businesses**



**Read about global affairs, innovation in business and acquire a general understanding of current issues and markets**



**Identify both the risks and rewards that your client, firm or company will face, in generally and for specific goals, deals or ambitions**



**Explain sophisticated and complex (legal) scenarios with advice in plain, layman English**



**Answer and anticipate follow-up questions from the client, firm or company**



**Identify opportunities to work again with the client, firm or company and to develop a relationship with them**

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You can hopefully already see where we have already covered in this cycle and where else we still need to look. Part One has explored how firms and companies act as businesses, understanding how they might react to a given news story and the external outlook combining with internal self-awareness to create commercial awareness. The recently covered SWOT and PESTLE analysis tools help us with identifying risk and reward. These next few subsections will cover step two - reading about global affairs to acquire general understanding - before Part Three analyses how to best go about utilising and giving commercially aware advice.

As previously mentioned earlier in Part Two, we all already receive information (not just about global affairs and news events, but gossip and recreational reading) from a variety of sources - newspapers, radio, TV, mobile phones and more.

To best begin introducing commercial awareness sources into your daily routine, reflect on how you currently receive information and updates. Do you frequently check your phone on the way to work, scrolling through social media? Do you enjoy reading magazines or books in your spare time? Or, do you frequently listen to podcasts, videos and documentaries on topics that interest you? Once you've considered the answers to these questions, you can then begin to identify providers of information within these source types that will be useful for showing you content that is more useful for developing your commercial awareness. To illustrate this really clearly, let's take a few information sources as examples and highlight the potential different information providers for both personal and commercially aware updates, stories and articles:

<b>Information Source</b>	<b>Personal uses examples</b>	<b>Qualities of commercial awareness uses</b>	<b>Examples of commercially aware uses</b>
<b>TV</b>	Watching favourite drama series, nature documentaries or reality shows for recreation.	Can provide live info, mix of audio-visual content, several channels with different perspectives, mix of short updates with in-depth documentaries/analysis on news stories. CatchUp TV allows for rewatching.	Watching news summaries at breakfast Following debates, live Seeing developments from across the world, live Panorama documentaries and investigations
<b>Print</b>	Reading newspapers, pamphlets or magazines on a number of topics	Often contains opinion pieces or interviews with noteworthy individuals. Able to view how historical stories were covered on the day when they happened. Stories often split into topics.	Reading news articles every day Opinionated articles on certain topics Global stories covered
<b>Podcasts</b>	Listening to a story series, social media influencers or talk shows	Can listen at any time. Often opinionated, or can feature prominent guests, whilst covering an endless number of topics. Can also cater to a number of levels of expertise.	Listening to future trainees/solicitors with 'Trainee Talk' Researching firms by listening to their podcast/appearances on others Tips and advice on a number of industry experiences

<b>Social Media</b>	Keeping in touch with friends, following cultural trends/gossip and finding interest groups or committees	Provides near-instant updates from a personalised stream of sources that you can select. Can keep up to date not just with individuals/firms, but also trends or concepts with hashtags. Excellent opportunity for personal brand development and networking.	Networking with individuals and firms on LinkedIn  Following news outlets, industry experts and start-up companies on Twitter  Creating and developing a personal brand
<b>Networking &amp; Events</b>	Meeting with friends, attending social events or personal interest groups	Provides inimitable face-to-face opportunity to speak to and network with firms. Can ask your own questions and get a personal response. Some events often draw industry speakers from across the country, or even the	Attending conferences to meet other individuals/firms en-masse  Law fairs, which are often full of potential recruiters  Specialist, keynote events or conferences to gain specific info

As the above table demonstrates, various types of information provision can serve both a commercial and personal purpose. The most effective way to add a commercial element to your current reading and understanding is to simply adapt your current favoured practices and habits in a way that can incorporate some of the points raised above.

## RECOMMENDED RESOURCES

So, if you've identified how and where you want to try and source your commercial content from, what are some great resources to try? On the next page, I've listed a few of my own personal recommendations that I like to use, with a short insight into what makes them so great. It is in no way an exhaustive list and reflects what and how I like to read so take it with a pinch of salt! In starting with some of these resources, you will likely soon then discover your own personal favourites. Note, there are some ulterior questions to try and bear in mind:

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- Is the content provided by a respected individual, firm or company? Is it accurate?
  - Does it provide opinionated pieces, or instead try to provide info free from bias?
  - Do you resonate with the content produced? Is the creator, or their creative team, easily accessible for further questions or mentoring?
  - Does this resource allow me to scale my learning as my understanding progresses?

<b>Information Source</b>	<b>Provider Name</b>	<b>Provider Info</b>
<b>TV</b>	BBC News	UK's most famous news network. 24/7 coverage of major news events, often with panels and interviews too.
	Question Time	Topical questions answered by industry experts and politicians, with public opinions evidence from various perspectives. Great for evaluating current sentiments.
	PMQs	Provides comparative views of each party's views on topics.
	Netflix + iPlayer	Huge host of documentaries and investigations available.
<b>Print</b>	Financial Times	Packed with economic, business and corporate analysis/news.
	Christopher Stoakes' books	An expert on commercial awareness. Great reading pre-interview, or to bolster your knowledge more generally.
	Richard Susskind's books	An infamous name in the world of LegalTech. Offers apt analysis of the potential future practices of law and how the industry and firms are changing vs how they should be.
<b>Podcasts</b>	'Trainee Talk' by TCLA	Chance to hear from future and current Trainees about their route to a Training Contract - often packed with invaluable advice. Plus, I have featured on there too! :)
	The Legal Bit	Detailed analysis on topics relevant to tech and IP law.
<b>Social Media</b>	LinkedIn	An inimitable opportunity to connect with others and learn more. My own favourite professional outlet for advice. LittleLaw, The Corporate Law Academy (TCLA) and the Business Update are but a handful of useful resources.
	Twitter	The world of #Law Twitter runs very, very deep!
	Finimize	The biggest economic stories and developments summarised in a neat little email that takes 60 seconds to read. Simple!
<b>Networking &amp; Events</b>	Society for Computers and Law	Host a wide variety of events - many of which are free - on tech, law and everything in-between. Highly recommend.
	University Law Fairs	An unrivalled opportunity to meet firms face to face and ask the questions you want answered. Grad Rec are nearly always in attendance - plus there's often plenty of freebies, too!

# PART THREE

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## UTILISING YOUR COMMERCIAL AWARENESS

In Part One of this guide, we've covered how to understand and value the importance of commercial awareness. In Part Two, I've provided an insight into how to start developing your commercial awareness, with some recommended resources that will help you find stories to analyse with the perspective-based tools I've described, such as SWOT and PESTLE. Finally, let's analyse some of the most common situations in which you might utilise the knowledge and mindset you've developed, as well as the best ways of doing so.

If you're looking to enter the legal job market (or any client-relationship role for that matter, like consultancy or banking), then being able to effectively market your commercial awareness is vital. The Association of Graduate Recruiters recently released a report detailing that many leading firms believe commercial awareness was the number one skill graduates lacked the most. If you can effectively convey a commercially developed mindset, you'll have a noted advantage compared to other candidates that don't.

As an aspiring junior-level professional, you will be expected to consistently demonstrate your commercial awareness to your employers – both in the initial application process and continually throughout your career. It will evidence and demonstrate your willingness to learn and enthusiasm. Employers will test in different ways, but all of them will do so continuously throughout an application process. Despite these slight differences in assessment, there are still some general points to bear in mind that will help address common questions and assessment scenarios. For example, role-play/simulations or interviews will often ask open, leading questions that can prompt an opportunity for you to demonstrate your commercial awareness. Similarly, if a mock scenario given to you reminds you of a similar event that happened recently, the responsibility is on you to take the opportunity to talk about it to the depth most applicable to the situation. Let's take a look at some of the most common commercial-awareness-testing scenarios and analyse the best way to approach them.

## WRITTEN APPLICATIONS

Often, the first step of any Training Contract application (or any job application for that matter) involves some form of written application to your potential employer. In these scenarios, firms will often set a candidate a number of questions designed to gauge their



level of interest, capabilities and thought processes to a number of set parameters that are important to them. As an obvious example, a specialist shipping firm may primarily want to know what drew the candidate to apply for that firm, how their interest in shipping as a practice area has developed and what they can bring to the table. They may then also want to ask supplementary questions focusing on international trade, diversity, innovation or other topics based on what is important to the firm. You can tell a *lot* about a firm's values based on what they ask candidates to respond to in a written application.

One of the most common questions an applicant has to answer on an application form asks a candidate to tell the recruiter about a recent news event that they feel is of commercial significance to the firm and its clients. Let's breakdown how to answer this:

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## **“Tell me about a recent business (or financial) story you’ve been following. How will it impact our firm and clients?”**

- Don't just describe the deal – analyse it. Firms will know their own deals better than anyone, so spending time simply describing what happened is an inefficient use of your word count. Instead, pick out a specific attribute of the deal that intrigues you and explain how it demonstrates the firm's strengths or appeals to you specifically. For example, was it the first deal of its kind within the client's industry to involve 3 separate jurisdictions? How did that specific firm's strengths assist their client in that scenario?
- Think about the implications of the story on a range of stakeholders, from a variety of perspectives. Often a news story will report on a handful of perspectives, usually the immediate parties involved. Try to think outside the box - how will suppliers, consumers or competitors also react to this story? What did the firm do to accommodate?
- If you get to choose which story you cover, you want to cover a few parameters in your selection. Ideally, the article should be:
  - ◇ Significant to warrant a headline. You need to balance your approach so that the story is big enough to have enough substance to talk about, whilst not being so overwhelming as to swamp any opportunity for you to analyse specifics of it.
  - ◇ Relevant to the firm's practice areas. This is especially true if you've indicated an interest in some kind of practice area elsewhere in your application. For a firm that doesn't practice maritime arbitration, for example, then focusing on that story is less than ideal, unless there's a unique tie-in to how that firm is beginning to investigate or innovate in that area of law. More general, 'non-deal' stories that cover a significant news event are generally applicable to many major law firms.
  - ◇ Of interest to you. Ultimately, you'll likely have to talk about this event several times at interview, as well as in-depth throughout your application. You'll want every ounce of natural passion and interest behind you, so make sure it's there!

# INTERVIEW QUESTIONS

Whilst the majority of these style of questions will come up at an assessment centre or in-person interview, they can also sometimes be introduced in the written or video interview stage. Let's analyse a couple more common examples and how to best address them.

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## **“What are the biggest issues facing the firm/legal industry today?”**

- Use your reading focused on your internal commercial awareness. This is the perfect question with which to bring in your internal understanding as explored in Parts One and Two of this guide. Identify a issue you feel comfortable discussing that you personally believe has the potential to be disruptive, dangerous to a firm's practices or that is ripe with opportunity. Don't be afraid to take a slightly personal stance on how you view the issue as well.
  - Undertake a SWOT analysis of the issue/development to see if there are any opportunities from this issue. Whilst you might not explicitly state each 'Strength' or 'Weakness' section outline, you can use the guiding principles and framework of a SWOT analysis to inform your answer. Tie up your answer with a neat little summary of the situation and always, always link back to the specific question the interviewer has asked you!
  - Give examples of how the firm you're applying to have begun to tackle it. Use your research into the firm to generate some analysis into how the firm has begun to tackle the issue you've described. Mention if it's something you want to get involved with and why it matters to you personally - it demonstrates a great level of enthusiasm and interest.
  - Again, keep it relevant and significant. Big enough for a headline *and* of personal interest.
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## **“How will \_\_\_\_\_ affect the economy?”**

- This question signifies the importance of keeping your reading and research general and geared towards a jack-of-all trades approach. You should hopefully be able to draw on a number of sources, reading and perspectives (even if they're not 100% directly related to the topic at hand) and draw a level of insight from it. Consider each perspective in turn by placing yourself in their shoes and asking 'how would I react if someone slid a report across my desk saying we needed to deal with this in a 2 year window'? It's a little hyperbolic and not always applicable analogy, but it gets you thinking about how to analyse and tackle commercial problems.
  - Speculate based on evidence. As previously covered, you're not expected to be either a fortune teller or industry expert, but draw some extrapolations based on historical data.
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## **'INDIRECT' COMMERCIAL AWARENESS TESTING**

The previous sub section has analysed some common examples of where candidates will be prompted, or explicitly asked, to demonstrate their commercial awareness in response to a question. However, it is one of the many ways in which a firm can test your abilities. Case studies, group exercises or mock-drafting scenarios are all opportunities to inject some of your outside, commercial knowledge into a given task or scenario.

Ultimately, in these scenarios, the responsibility is on you to introduce outside information that you feel is relevant to the task at hand. A recruiter will not stop to ask why you haven't drawn comparisons to a similar deal that has happened in the 'real' world outside of your simulated environment. Instead, you need to reference any outside knowledge you feel you can bring to a given scenario - perhaps based on its similarities, differences or notable solution - alongside your task-specific advice and actions. In doing this, it's vital you make sure that there is some form of broader contribution to your original point. Naming a news story or deal for the sake of it, especially if it's not entirely relevant to the task/argument at hand, will make you come across as either misguided or give the impression that you don't understand the parameters of the task given to you. Explain why it is you're making this comparison and it's significance, as well as how it can help you or your group in this given situation. Does it ward you off a certain course of action, or conversely incentivise come kind of response given how well that business approach has worked in similar scenarios?

In doing the above, it is vital you expect and anticipate follow-up questions. A recruiter won't derail the interview to grill you on a topic you may have raised for 45 minutes, but equally don't think that they will simply gloss over you mentioning something that intrigues them. Because of this, make sure you're confident enough in your knowledge about any article or outside knowledge you bring into the process. In other words, in an interview scenario, only speak to your own level of competency in an area. It's no good trying to talk about Blockchain to demonstrate an understanding of LegalTech, for example, if you lack sufficient technical and commercial understanding about how it functions and why it's adopted by businesses.

## **A LAWYER'S MINDSET**

Finally, it's worth touching on some ideas regarding the best ways to try and implement a commercially aware legal mindset when it comes to actually practicing in the field. For most applicants, this will most likely apply to any form of work experience or Vacation Scheme that you get the chance to attend. Being able to go above and beyond your duties/responsibilities should always be at the forefront of your thinking generally, but how can you try and demonstrate a commercially developed mindset? Below are some general pointers to keep in mind to really try and give off a great impression during these opportunities with regards to your commercial awareness.

- Ask yourself broader questions of why the client is doing what they're doing. Even if you're unable to step back and see the full picture from the department you're working in, you should be able to at least grasp how the team you are working with are being expected to complete a client's task. Doing this will allow you to discuss the task in greater detail at a later interview and (vitaly) demonstrate your ability to understand the commercial necessities of various tasks and scenarios.
- A great way of helping achieve the above is to revisit the 'Finding your Fit' exercise previously outlined in this guide. It'll help give you some clarity about how your role provides value and where you can look for any opportunities to create more or find new avenues of work to explore.
- The above exercise is also great to implement when it comes to thinking about where your work will go once you've finished working on it. Outside of writing down what you've been tasked with, you might also need to incorporate some other factors into your work process that have been generated as a result of this thought exercise. For example, if you know that a report you're drafting is going to an associate who is new to that area of law and that they'll need to be able to report to others on its contents at a meeting, then keeping your research clear, to-the-point and in simple sub-headings would be a much more preferable presentation option than pages of text-heavy information they'll have to sift through.

# CONCLUSION

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Over the last three sections of this book, we've covered a collective analysis of what commercial awareness is, how to develop it and some examples of how to utilise it in interviews and beyond. To summarise the essential talking points about commercial awareness by this book:

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- It's a vital for aspiring lawyers to learn, because it's vital for lawyers in their practice. It'll also help you stand out as an applicant in the application process and be a great skill to develop for your future career.
  - It's a habit, perspective, mindset and skill. You need to implement some sort of action plan to begin generating a stream of commercial information that you can then begin to analyse through perspective-based reading. Once you have developed that bank of information, you can then engage in your commercially aware mindset where necessary to either evaluate the work you're currently doing, or find new avenues through which to explore a problem.
  - It has external/internal elements. You need to understand both the broader commercial world we live in, as well as how firms are striving to survive economically in it.
  - Firms test for it continuously, in different ways. Realise that firms place great value on commercial awareness as a skillset for applicants and that you need to assume this when conducting interviews, group exercises or any other assessment scenario where the firm is not directly asking you to tell them about your understanding of commercial awareness.
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I do hope you've found this book to be informative and that you can draw some useful insight to take with you into the application process and beyond to the profession. If you enjoyed it and found it to be informative, or, if you feel it was missing any certain elements, do get in touch! Feedback from readers is the key way that content can then be improved or changed in future to be better geared towards them. I've attached my contact details on the next page so that you can find out where to get in touch. Best of luck for the future!

- Harry

# CONTACT ME

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Below are all of my main contact outlets that you can reach me by. Feel free to drop me a message - I don't bite!

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Contact Area	Profile Name/URL
LinkedIn	<a href="https://www.linkedin.com/in/harryclarklaw/">https:// www.linkedin.com/in/ harryclarklaw/</a>
Twitter	<a href="https://twitter.com/HarryClarkLaw">@HarryClarkLaw https://twitter.com/ HarryClarkLaw</a>
Instagram	<a href="https://www.instagram.com/harry.clark.law">@harry.clark.law</a>
Website (HarryClarkLaw)	<a href="https://hclark.law.blog/">https://hclark.law.blog/</a>
E-mail	<a href="mailto:harryclarklaw@gmail.com">harryclarklaw@gmail.com</a>