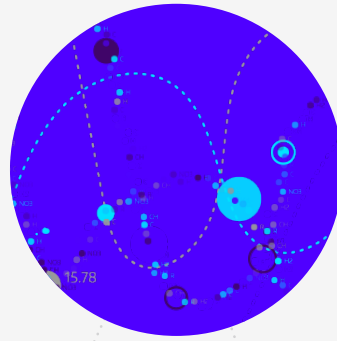
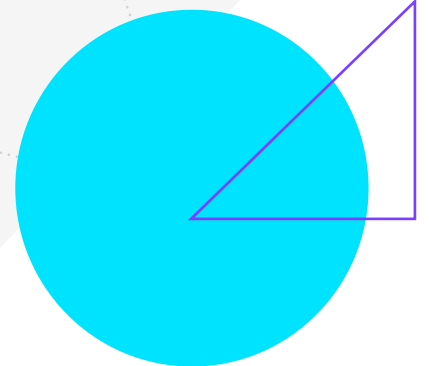


**CULTURE
PARTNERS**



Connecting the Dots *Through Business Acumen*

Developing Leaders and Teams
Who See the Big Picture



Create a *Culture* That Means *Business*

Do you remember those connect-the-dots puzzles you played with as a child? Each one appeared to be just a random scattering of black dots on a white page. No matter how hard you squinted or stared at those spots, you couldn't see the object or scene in front of you. But if you drew a line and connected the dots in the right order, a clear picture would suddenly emerge out of the chaos.

Trying to make sense of the uncertainty, complexity, and volatility of the current business environment is a lot like tackling one of those puzzles. From changing business models and global markets to implementing AI for business advantage, understanding what is really going on and responding accordingly requires the ability to connect the dots astutely and accurately.

Connecting the dots is not just important in the here and now. It's a skill that enables organizations to assess and gauge future impacts, as well. In effect, it underlies what's been described as the three essential capacities to build [future-readiness](#):

- 1.**
Detecting changes on the horizon that may pose threats or opportunities
- 2.**
Responding by analyzing the strategic implications of future changes
- 3.**
Adapting to thrive in the future environment

This all works well when both your leaders and teams can recognize and articulate what changes need to be made. But what if some people lack the level of experience and/or business knowledge needed to do so?

In Harvard Business Review's "[9 Trends That Will Shape Work in 2024 and Beyond](#)," an ongoing shortage of workers means that many organizations are hiring from a broader talent pool that includes workers skilled through alternative routes (STARs). While these workers may be qualified in their area of expertise through a certificate program or other alternative credentials, they have not had exposure to a traditional curriculum that provides exposure to Business, Marketing, Accounting and other subject matter that builds organizational understanding.

According to Loizos Heracleous, professor of strategy at England's Warwick Business School, *"It all comes down to the ability to go up and down the ladder of abstraction . . . being able to see the big picture and the operational implications, which are signs of outstanding leaders and strategists."*



A New Kind of “Vision” for Leaders

As the workforce continues to evolve in this way, organizations like yours will find it increasingly critical to upskill employees so they can make desired connections between what they’re doing day in, day out and the results you’re trying to achieve.

For example, without a broad understanding of both the external and internal landscapes, your leaders are more likely to develop the wrong capabilities, set the wrong goals, hire the wrong people, or enter the wrong markets. Worst of all, without a clear vision of financial and strategic objectives, they may fail to recognize the challenges your business is facing, the concerns of their people, and the impact of their decisions on the bottom line. That kind of leadership thinking won’t help businesses survive in the challenging times ahead.

That being said, effective strategy will require a broader view and the ability to keep the details in perspective—not an easy task in an environment of ever-increasing information availability and diminishing time and opportunity to examine and think.

Looking Inside as Well as Out

Whatever you call it, this ability to see the big picture isn’t just an external exercise for business leaders. Just as it’s important to have a clear view and understanding of the outside world—the business ecosystem in which an organization operates—it’s also imperative to take a helicopter view and think critically about what’s going on inside the business. Again, context is key.

From domestic demands to global requirements and political upheaval that impacts business operations, leaders are tremendously challenged to make the connection between what’s happening in the world at large and the finer points of how the business functions internally.

Technology and the billions of bits and bytes of information it generates daily may be crippling leaders’ ability to see business situations clearly.

In the face of rapidly evolving technology and exponential data growth, they rely on internal experts who employ the latest digital tools and platforms to extract meaningful insights from extensive datasets.

Yet while this level of skill represents digital literacy and an understanding of data analytics, it does not directly correlate to the financial literacy and business acumen needed to ensure that any analyses undertaken are both relevant and valuable to the business.



As their role in executing strategy continues to expand, they are accountable for making crucial, real-time decisions that directly affect financial outcomes at the unit and at the corporate level. To succeed, they need to have the insight and perception to balance the big picture with the day-to-day basics of doing business.

The truth is leaders can't impact bottom-line success if they're unable to accurately assess the competitive landscape or connect operational decisions and activities with key financial and business performance metrics and goals.

Where Business Acumen Fits in the Picture

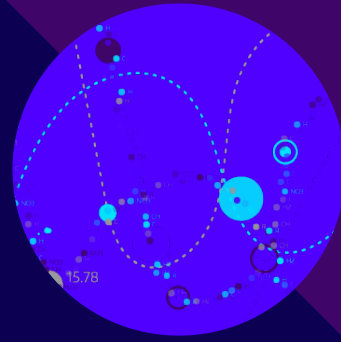
The ability to engage in internal big-picture thinking and understand the organization's financial and strategic issues—the relationships between actions and consequences within a holistic context—is known as business acumen. Leaders who understand all the business drivers and key financial levers, as well as the relationships between them, are able to understand the total organization and how the individual parts work together.

They have a clear understanding of not only how the business works but also how it sustains profitability. They make better decisions, influence top-line revenue generation, establish priorities, and take actions that align with organizational and marketplace strategy.

Leaders with business acumen are able to break down organizational silos, bridge communication gaps, and engage the employees they manage in understanding how the company operates and what each person can do to contribute to success.

On the other hand, without adequate business acumen, leaders can't align their priorities with those of the company or help employees connect with the company's vision and goals. Narrow focus on their own departments and job functions prevents them from understanding how what they do rolls up into a financial statement or affects their customers, so there is little sense of urgency. And when income statements, balance sheets, cash flow statements, asset management initiatives, and other financial concepts are misunderstood or misused—and when leaders don't grasp the connection between these financial concepts and corporate vision, goals, and strategies—leaders can't be effective for the organization, themselves, or their teams.





What is Business Acumen?

The dictionary defines acumen as “quickness, accuracy, and keenness of judgment or insight,” especially in practical matters. The word comes from the Latin *acuere*—the root of *acute*—meaning “to sharpen.”

Business acumen is an acute understanding of how a business works and what it takes for the enterprise to make money. It combines financial literacy (the ability to understand numbers on financial statements) with business literacy (recognizing how strategies, behaviors, actions, and decisions not only affect the numbers but also drive profitable and sustainable growth).

Consider this example: In team sports, players need to know how the game is scored. To affect the score, they need to know how to play the game. In business, financial literacy is understanding the score and business acumen is knowing how to impact it.

On any team, managers with basic financial literacy can read a company’s income statement by relying on a fundamental understanding of financial terms, ratios, and what the numbers represent. But that’s about it.

Managers with business acumen, however, can interpret that income statement— what the numbers really mean—and act accordingly. With a solid understanding of industry, market, and financial information, they have a clear view of the company’s current realities and potential opportunities. They’re able to analyze diverse financial data and apply it to the development of strategy. Most important, they can make decisions that lead to increases in profit or cash flow because they know how their actions affect the numbers and vice versa.

Sharpening the View With Critical Thinking

Also under the umbrella of the big picture, critical thinking has been elevated to a core competency. Identified by the Department of Labor as a foundational skill and the “raw material” that underlies fundamental workplace competencies, critical thinking appears to be exactly what’s needed from leaders navigating the volatility of the new economic order.

In her seminal book, *Thought and Knowledge*, Diane Halpern offers this definition of critical thinking:

“Critical thinking is the use of those cognitive skills or strategies that increase the probability of a desirable outcome. It is used to describe thinking that is purposeful, reasoned, and goal-directed— the kind of thinking involved in solving problems, formulating inferences, calculating likelihoods, and making decisions. It’s the kind of thinking that makes desirable outcomes more likely.”

Critical thinking can enable leaders at every level to understand the impact of their decisions on the business as a whole and ensure both alignment with organizational goals and accountability for results. Leaders who are reasoned, purposeful, critical thinkers think differently about how their decisions and actions influence the business and impact the bottom line. Using an approach that is fair, objective, accurate, and based on information relevant to the situation, they know how to make sure the correct problems are addressed within acceptable risks.

Operating from a broad, systemic perspective, they understand what it takes to execute for results now, while fulfilling their obligations to positively affect the future. And they are able to balance department or team issues with broader company issues and embrace a larger responsibility for the success of the organization.

According to a [Disruptive Leadership Institute report](#), **organizations that are positioned to succeed in 2024 and beyond will exhibit:**

- leaders who understand the whole company and not just their silos
- critical thinkers at every level
- employees who are empowered to use their critical thinking skills
- increased communication and transparency
- the ability to lead through change, change, and more change
- a genuine commitment to equity and inclusion

Among these findings, big-picture thinking rises to the top of the list—acknowledging the importance of business acumen in steering the organization toward desired results.





The Lack of Big-Picture Leadership Requires Action

Despite the growing realization that seeing the big-picture—and demonstrating the business acumen, critical thinking, and leadership accountability that accompany it—is vital for business survival, most business leaders haven't really mastered this strategic competency.

Filling the gap and developing the capability to interpret and find order in often chaotic masses of data, understand connections between seemingly separate elements, see new opportunities, or recognize when the world is changing represent critical needs at an especially turbulent time.

That's why smart companies are revamping their leadership development initiatives to deal with these issues. To accelerate the development of individuals and raise leadership (and team) accountability to a whole new level of awareness and action, they are placing a new emphasis on big-picture and critical thinking in their leadership curricula.

The good news is that this kind of thinking is a skill that can be taught. When it's successfully done your leaders and team members will be equipped to make better decisions, influence top-line revenue generation, establish priorities, and take actions that align with organizational and marketplace strategy. And that's how you connect the dots through business acumen and help future-proof your organization.

Zodiak®: The Game of Business Finance and Strategy drives a better understanding of the connection between your financial drivers and strategic objectives.





About Culture Partners

Using human industrial-organizational psychological methods, Culture Partners helps organizations achieve record-breaking results by connecting experiences, beliefs, and actions to those results through culture. Our culture management frameworks and tools help thousands of top organizations realize their potential by owning their growth.

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