

Are you commercially aware?

INDUSTRY AWARENESS IS OFTEN OVERLOOKED BY TRAINEES AND GRADUATES BECAUSE MOST DO NOT KNOW WHAT IT MEANS AND WHY IT IS IMPORTANT.

To secure a clerkship, traineeship or graduate position there are four success factors that could help you: effective self-marketing; self-awareness; academic performance; and industry/commercial awareness.

Commercial awareness (or knowledge of the business world and business concepts) does not get very much attention at career fairs/seminars, but is nonetheless extremely important within the legal industry.

Self-awareness and commercial awareness: a lack of either or both could potentially ruin your chances of landing that all-important traineeship/graduate job. Like the other three success factors above, commercial awareness is considered an essential competency and is assessed throughout the whole recruitment process. For example, if you are fortunate enough to get a clerkship this is a good opportunity for the law firm to discover your commercial knowledge, but also to recognise your willingness to learn about commercial issues. Ultimately, willingness to learn and becoming informed are considered favourably by law firms. With this in mind, it is important to remember that firms do not expect clerks/trainees to be expert at a practice area from the first day; similarly they appreciate that commercial awareness takes time, and appropriate exposure, to develop.

Additionally, commercial awareness is assessed at the application and interview stages. This means you should ensure that all your relevant work experience and extra curricular activities are noted in your CV and you are able to confidently elaborate on these points if asked in an interview.

Moreover, it is not just commercial law firms that expect candidates to demonstrate their commercial awareness, but any law firm which prioritises its clients' business as number one. Firms want to know that you as a future employee are commercially aware.

What is commercial awareness?

It is an awareness of the business world and current affairs, as well as knowledge of business concepts, for example how organisations work and why situations arise. Situations may arise in commercial, legal, financial, economic and/or private circumstances. The concept encompasses the ability to see issues from a client's point of view such as customer needs and expectations. Commercial awareness refers to a candidate's general knowledge of business, their business experiences (or work experience) and specifically, their understanding of the legal industry.

On the other hand, commercial awareness is not reading a newspaper five minutes before an interview or quoting deals to sound impressive while not actually understanding what they mean.

Why is it important?

For any firm that practises commercial law it is definitely important as clients need advice in a commercial context, not just on the law. Nonetheless, commercial awareness is also important for any trainee/graduate not practising in commercial law, as 'awareness' and 'knowledge' of commercial and current issues will make new recruits more appealing to future employers. All clients need sound advice in a commercial/business context, not just on the law itself.

In 2007 Mattel had to recall 18 million toys amid safety fears over the level of lead they contained. The head of product liability for Eversheds International law firm in England, Richard Matthews, commented on the incident at the time. Matthews highlighted the potentially damaging effects of a recall, not only on Mattel's business but also on its reputation in the market. He considered many other issues such as the importance of quality control and proper risk management involving dealings with suppliers, insurers, the media and trading standards. By taking a wider view of the incident rather than a purely legal perspective, Matthews identified the key issues that may affect the business.

This example illustrates that a potential problem should be looked at from all angles so that practitioners can offer commercially useful advice, as well as legal advice. Accordingly, if a trainee/graduate demonstrates a combination of legal and commercial understanding this has the potential to make them a more successful interview candidate and a better practitioner.

What you can do

Read, watch and listen widely in the legal, business and general press – this should keep you up to date with trends in the economy and issues facing different industries. This may include reading the *Australian Financial Review*, *The Australian*, *ABC Online*, *The Guardian* or *The Economist*. These news sources are useful for cultivating commercial awareness. If there is a specific firm you are targeting, research its recent deals and current news or take a look at the firm's client base.

Furthermore, your own experiences such as vacation placements, part-time work or voluntary work are just as relevant. If you are doing casual bar or retail work, this experience can be used



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to gain an insight into business. Think about the good and bad points about your employer, who the target market of your employer's business is, who the main competitors are, and how you may improve the company's image or profitability. For instance, most casuals in retail would know and understand how budgets and weekly targets work and why they are important in running a business. Commercial awareness may also arise by working in a large retail business such as Coles, KFC or Woolworths – these large companies are acutely affected by commercial realities, just as their employees would be.

Accordingly, it is important to be aware of the need for efficiency, cost-effectiveness, customer care and a knowledge of the market place in which potential clients operate, for example the current economic climate and major competitors. Try to go beyond core legal advice and become a trusted business partner with your clients. Aim to understand how organisations work and recognise their commercial drivers. This all-important knowledge and understanding should then help you appreciate the wide range of commercial issues, as well as legal issues that may affect your potential clients.

Conclusion

Most clerks, trainees and graduate lawyers have the first three success factors sorted – effective self-marketing, self-awareness and a sound academic record. Yet, often commercial awareness is neglected. Ultimately, knowledge is power. Future employers want to know they will be hiring new employees with exceptional legal knowledge and with demonstrated knowledge of commercial issues and current affairs. Students, trainees and graduate lawyers alike would do well to begin cultivating this knowledge sooner rather than later. •

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