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Strategic Business Leader – Examiner Approach Article

Guidance on the new ACCA *Strategic Business Leader* examination

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Rationale behind introducing the *Strategic Business Leader* examination

Following a major piece of research ACCA undertook globally to establish the skills and capabilities employers need now and in the future, ACCA has decided that the structure and content of the Professional Level needs to change. The research report issued in 2016 called *Professional Accountants – The Future* gave ACCA a clear insight into the key skills that are and would become most relevant in the fast changing world of accountancy and finance.

This research identified the technical and professional skills and qualities that professional accountants need to possess to make a significant contribution in the workplace. Many of the skills identified are key leadership and professional capabilities, which can allow the future ACCA member to add real value to the organisations they work for and enhance their own career prospects.

Following extensive consultation with members, learning providers and employers, ACCA concluded that the professional qualification required a completely new examination with a leadership focus, which would test not only a student's ability to apply newly acquired syllabus knowledge to a business scenario, but also to demonstrate a range of practical leadership competences required of future professional accountants with serious career and management ambitions. In response, ACCA has now produced a unique new syllabus at its final level. This syllabus contains all the key technical and professional leadership skills that were highlighted in the 2016 research report which employers have been asking for and have most value to them. ACCA then developed two specimen exams to show how such a syllabus could be examined. The requirements within these specimens integrate and blend all the key leadership skills in a practical and business relevant way. The new *Strategic Business Leader* examination is to be examined using a single

case study approach, which comprises a range of required tasks to be completed in a four-hour period. This examination requires students to bring forward and apply their skills acquired at the Applied Knowledge and Applied Skills levels of the qualification to the new case study examination.

ACCA positions its 'ACCA qualification – the future' as a qualification for the aspiring senior professional, consultant or business leader in any business structure (public or private) and is not aimed exclusively at accounting and finance, taxation and audit specialists. To reflect this, the final level of the exams has now been re-named; *Strategic Professional*. Additionally, the *Strategic Business Leader* examination, combined with the other key technical exams and specialisms at *Strategic Professional* will encourage and equip the newly qualified accountant to take on and achieve more senior and responsible positions within the organisations which employ them.

Overview of the exam

***Strategic Business Leader* is a four-hour integrated closed book examination where there is no pre-seen information released. ACCA has decided that it would not pre-release large volumes of detailed information about the case study, up to several weeks prior to the examination for the candidate and/ or their tutors to absorb and dissect, as this seems an over 'academic' approach, which encourages question 'tipping' and 'spotting'; hence making it difficult for ACCA to genuinely assess the candidate's own capability.**

ACCA will issue the detail the candidates would need to refer to, including background information and exhibits, on the day of the exam, alongside the various tasks to be completed by the student, giving candidates adequate time in which to do so. This information and specific exhibits may take a variety of forms such as annual and integrated reports, media sources, presentations, spreadsheets, tables, briefing notes, interview transcripts, but are not expected to be unwieldy. There will be no more than 12-18 pages of information in total.

The examination time has therefore been set at four hours to allow the candidate to become familiar with the material while also being aware of the specific requirements. This allows them to read and comprehend the materials (with the requirements in mind) so as to extract relevant information from a variety of sources and plan and prepare their approach for completing the examination fully considering the integrated technical and professional skills requirements. This is more representative of how things might be done in the work place, where someone would only research material once they knew what they needed to do and where these tasks may be given at quite short notice and be fairly urgent.

The ACCA approach allows students to develop those key skills and core competences necessary to be successful in the *Strategic Business Leader* examination. This will encourage them to practise exam relevant case studies. In addition to the two specimen exams, ACCA's examining team will review the texts and question and answer banks produced by the Approved Content Providers to ensure that students have sufficient practice material that reflects the style of the exam.

What is *Strategic Business Leader* all about

The *Strategic Business Leader* examination, when introduced, will directly replace the P1 and P3 examinations. Although the core technical syllabus content is largely drawn for these two existing Professional level papers, ACCA has taken this opportunity to refresh, restructure and re-purpose much of this content in a way that is most relevant to the strategic business leadership role.

This is because *Strategic Business Leader* has not been designed simply as a replacement for the old exams, but as something completely different which adds much greater value and which students will see as being a more coherent and holistic syllabus than either syllabus of the two exams that it is replacing. To confirm this line of thinking, the main section headings of the Strategic Leader syllabus are sequenced as follows:

- Leadership, communication and professional ethics
- Corporate governance
- Strategy
- Risk
- Technology and data analytics
- Organisational control
- Finance
- Innovation and change management
- Professional skills

Although self explanatory, each section heading comprises a comprehensive array of syllabus content so students will be required to undertake an extensive and intense period of study before being in a position to sit the *Strategic Business Leader* examination. The new exam is aligned to test those skills that employers are looking for, as well as introducing much greater focus on strategic thinking, business direction and problem solving. This will better prepare students for the workplace with a clear focus on the application of knowledge in a strategic context.

How is the *Strategic Business Leader* syllabus examined?

The exams introduce work-related tasks and simulated realistic experiences, so better preparing students for situations they are likely to encounter in the workplace. It will address any current gaps in professional skills and at the same time broaden behavioural and business skills.

As a 4-hour exam with a single compulsory section, it uses an integrated case study model with a number of tasks and all requirements are to be related to the one scenario. To ensure that the tasks are realistic and that ACCA can examine the syllabus more widely, candidates may have to take on different leadership or management/consultant roles in different contexts, to demonstrate a wider set of leadership skills. The skills that are assessed tend to be more practical and analytical rather than technical or academic, and could include:

This is certainly not an exhaustive list of tasks, but provides an idea of the range of disparate information sources that might be provided in the examination paper as well as the style and types of answers required from the students. The exam will both look and feel very different to anything the student will have experienced before!

- Data analysis of spreadsheets and their interpretation
- Analysing visual aids such as heat maps, flowcharts, process maps, etc.
- Problem identification and resolution
- Making supported recommendations
- Drafting reports, memos, letters, articles or another form of written business communication
- Drawing up some presentation slides with accompanying notes

How is the exam to be marked?

TECHNICAL MARKS

The marking scheme will comprise 80 marks for the correct use and application of syllabus knowledge. This is not dissimilar to the other ACCA *Strategic Professional* examinations in that the usual question verbs will be used with each requirement to probe the students' knowledge and their ability to demonstrate this appropriately in the context of the case study. Obviously one major difference is that all questions will be based upon the same scenario to integrate the questions set, but this could well be an advantage to the student who will be focusing on one overall context for their tasks. However, additional information, more closely associated with each individual task, will be revealed to help the candidate with the specific context of the requirements associated with that particular task.

PROFESSIONAL MARKS

In addition, there will be 20 marks for professional skills and competences which permit ACCA to examine professional and behavioural skills pervasively throughout all of the case requirements. This approach allows an assessment of the student's capabilities to demonstrate more than just their technical proficiency and to show professional skills which are deemed essential for a successful accountant and business leader in the 21st century.

These are broadly under five headings:

- Communication
- Commercial acumen
- Analysis
- Scepticism
- Evaluation

Each of the five main professional skills has three leadership capabilities associated with it. The examination will use these capabilities to allocate marks to each requirement as appropriate.

The Professional skills and capabilities are:

Communication

- Inform
- Persuade
- Clarify

In summary, this means the candidates have to express themselves clearly and convincingly through the appropriate medium while being sensitive to the needs of the intended audience.

Commercial acumen

- Demonstrate awareness
- Use judgement
- Show insight

In summary, this means the candidates have to show awareness of the wider business and external factors affecting business, using commercially sound judgement and insight to resolve issues and exploit opportunities.

Analysis

- Investigate
- Scrutinise
- Consider

In summary, this means the candidates have to thoroughly investigate and research information from a variety of sources and logically process it with a view to considering it for recommending appropriate action.

Scepticism

- Probe
- Question
- Challenge

In summary, this means the candidates have to probe, question and challenge information and views presented to them, to fully understand business issues and to establish facts objectively, based on ethical and professional values.

Evaluation

- Assess
- Estimate
- Appraise

In summary, this means the candidates have to carefully assess situations, proposals and arguments in a balanced way, using professional and ethical judgement to predict future outcomes and consequences as a basis for sound decision-making.

As far as earning professional skills marks are concerned, depending on the particular skill being examined in the requirement, the examiner will be looking for that skill to be evident in how you answer the question in respect of the technical points you make. So it is important that you understand what these professional skills are in more detail so that you know what is being expected of you. To make this clearer, it is worth looking at and becoming very familiar with Section I of the *Strategic Business Leader* Syllabus where they are given in more detail.

By being familiar with what 'professionalism' means in the context of the five main skills it is easier for the candidate to write in a style and with an approach which gives them the maximum potential to earn the marks available.

However there are some general tips you should use to approach your answers to the tasks, to maximise your potential to earn these professional skills marks and these are given below:

- A** Make sure you include the most important, relevant and crucial points relating to the requirement. Use your judgement to consider which points are the most convincing and compelling and only include additional less important points if you are not sure you have made enough valid points to achieve all the technical marks available for the requirement. In the current exam marking rubric, candidates can earn all their technical marks while at the same time missing the most obvious points. The new style of assessment allows candidates to be more fairly rewarded for demonstrating these additional professional skills.
- B** Show deep/clear understanding of underlying or causal issues and integrate or link different sources of information from various parts of the scenario or different exhibits to make points, rather than just making the obvious points to be obtained by re-stating information included in the case. *(This is slightly different to making the most relevant points. This is about making points which require greater inference through linking information from different sources which the less able candidate would not normally have picked up.)*
- C** Only make relevant points and try not to include superfluous information or make unsupported points. *(Under the new exam format, a candidate who consistently makes valid points, technical or otherwise, is rewarded additionally for demonstrating their wider credibility.)*
- D** Avoid repeating points already made. Professionally competent candidates do not needlessly repeat information or points already made. They may reinforce a previous point, but this is usually made as a development of a point rather than repetition.
- E** Address the requirements as written, taking particular notice of the verbs used. Answering the question asked is an indication of your ability to read and comprehend instructions

appropriately and is a demonstration of professionalism expected in the workplace. Professionalism is certainly not evident when candidates, either make significantly more points than would be required for the marks available (showing poor time management), or deliberately choose to discuss more issues than asked for, in the hope that the marker will select their best answers. This practice is unprofessional and shows poor judgement and a lack of time management. *(This is about showing professionalism as expected in the work place and commercial awareness, personal effectiveness and integrity.)*

- F** Show your ability to prioritise and make points in a logical and progressive way, building arguments rather than using a random or 'scattergun' approach to answering the question. *(This is about telling a coherent and compelling story, not only to gain communication skills marks, but can also be used as a way of earning other professional skills marks.)*
- G** Structure and present your answers in a professional manner through faithfully simulating the task as would be expected of the person being asked to carry it out and always have a clear stakeholder focus in mind when constructing the answer. *(This could mean adopting the style of media as specified in the requirement, including headings, tables and figures, if relevant, and presenting figures or quantitative analysis succinctly and logically, using the appropriate tone and style of language.)*
- H** Demonstrate evidence of your knowledge from previous learning (Applied Knowledge and Applied Skills exams) or wider reading and apply this knowledge appropriately to strengthen arguments and make points more convincing. *(This requires candidates to revisit, or at least be confident of, the main relevant content from the Fundamentals Applied Knowledge and Skills levels of the qualification before they attempt the Strategic Business Leader examination.)*

- I** Demonstrating professionalism in SBL is not about linguistic eloquence or having an extensive vocabulary, or even about good grammatical style. English, for many of our students, is not their first language so what we are looking for more specifically is the ability to express points clearly, factually and concisely. In addition to being clear, factual and concise, students should express themselves convincingly, persuasively and show credibility in what they say and how they express themselves to gain professional marks.

While the above advice gives a range of good general techniques for gaining professional marks across the board, candidates must also focus on the specific professional skill being examined. Candidates are advised to fully understand and be familiar with each professional skill as described in the syllabus and each sub-heading.

For example, if commercial acumen marks are available candidates should look at these definitions in Section I of the syllabus, in particular 2a), b) and c) to understand what markers will be looking for.

Essentially to score commercial acumen marks you need to *show awareness of the wider business and external factors affecting business, using commercially sound judgement and insight to identify and resolve issues and exploit opportunities.*

It is essential that students are aware that the way their answer is structured, how their points are made and the answer presented is going to score a significant number of marks and that these are critical to success in the *Strategic Business Leader* exam. These professional skills and how to demonstrate them is a key skill that needs to be developed to maximise success in this new examination. The exam is also structured such that professional marks integrate with technical marks meaning that students need to focus on both these different types of marks to aim for exam success.

Tactics for answering questions in the *Strategic Business Leader* examination

It should be apparent that the approach required to succeed in the *Strategic Business Leader* exam is likely to differ from other exams. Therefore, it is essential that all students have devised and practised an exam management strategy before they attempt the paper. Core examination skills to be mastered are:

1. Time Management

There are 240 minutes to complete the entire exam. However, a significant proportion of this time will need to be set aside to read the case study and requirements and plan the answer before starting to produce answers. It is suggested that this will require at least 40 minutes to do effectively, because there is only time to read the examination from end to end once but the student will need to know where to find relevant information easily when writing out their answer. The other 200 minutes need to be allocated to preparing for and answering the individual requirements and obtaining 100 marks, allowing approximately two minutes to earn each mark.

In the 2nd Specimen examination there are five separate requirements (tasks) each worth 20 marks [with four allocated purely for demonstrating particular professional skills within each task]. Therefore the student should allocate 40 minutes to complete each requirement. Within these requirements there are two sub-requirements, so the time should be further allocated in proportion to the marks allowed for these [as they are not always equal]. If the students adopt this approach they will have the best chance of completing the entire exam, by targeting all 100 marks that are available.

2. Effective reading

When the examination starts it is not necessary to skim through the paper since there is no choice of questions, and only one integrated scenario. The whole exam is likely to comprise between 12 and 18 pages of text, numbers and diagrams and these are all linked to the various requirements. So after reading the opening section that will provide some context for the case study, it is advisable to focus next on the requirements and finally read through the various exhibits. This approach is

clearly requirement-driven and ensures that when a student reads through the scenario and the exhibits they are thinking about the task they have been presented with, so they can identify and highlight relevant and useful information from the scenario that which will help them answer the questions.

Once again effective and careful reading needs to be practised because it is a very different approach to that adopted when reading for pleasure. Time is the limiting factor in the exam so every activity must deliver the desired result.

3. Analysing the requirements

The student must do much more than simply read each requirement, but analyse them so that they are totally certain about what is being asked. Marks will only be awarded for answering the question set, so if the requirement is incorrectly interpreted then no technical marks can be awarded even if the answer reads exceptionally well or is very professionally presented and written. The question verbs that are used should give a clear indication of what precisely the student is required to do, and remove any ambiguity.

Question 5 (b) in the second specimen exam requires the student, who is acting in the capacity of a project manager, to “produce a project initiation document” whereas question 4(a) asks the student, acting as an internal auditor to “analyse the information presented in the spreadsheet produced by the financial controller”. These are both very clear requirements and have information contained in the case study related to them. However, both require the student to adopt a particular role and address their answer to different people or groups with a stake in the company. This adds a further complexity which needs to be considered when analysing each requirement and dealing with this appropriately will earn the students both the technical marks

available, but also the professional skills marks associated with this requirement; in this case two communication marks.

4. Planning

A good alliterative phrase to remember is 'Proper Planning Prevents Poor Performance' and this is definitely the case in the *Strategic Business Leader* exam. It would be wise to plan the whole exam before answering any part of the paper because of the integrated nature of its content. It is possible that one requirement might directly or indirectly relate to a subsequent requirement, so by adopting a holistic approach to planning, the student will avoid repetition [time wasting] and be able to cross reference their answer.

When planning, the student should consider how many marks they are aiming to score, which of course should be all that are allocated to the requirement. They can then decide how many different points they need to make in order to achieve this mark, which at *Strategic Professional* is usually on the basis of one mark for each point, possibly with an extra mark for more fully developing the same point. So if the requirement is worth 10 marks (8 technical and 2 Professional Skills) then up to 8 clearly different and appropriate technical points need to be planned, depending on how well developed each of the individual points are. The plan should incorporate appropriate knowledge recalled from the *Strategic Business Leader* syllabus (and any previously acquired knowledge from your earlier studies from the ACCA Qualification) as well as relevant information drawn from the case study. This way the answer produced from the plan should be exactly what is required at this level. It is more difficult to plan out Professional Skills marks, but it is advisable to be fully aware of the specific professional skill(s) being assessed and ensuring that the style and emphasis of your technical points and overall answer take these professional skills into account. For example, where scepticism is being examined, the candidate should be conscious that constructive criticism, identifying potential weaknesses, failings or threats related

to aspects of the situation should be a focus in the answer alongside the specific need to address the technical requirements of the question as set.

Another benefit from planning is that it encourages self-discipline, and avoids writing irrelevant points and wasting time. If a student produces a good plan that they understand and they use to answer the exam, then it should allow them to answer the precise requirements correctly by using as much of the relevant information provided as they can.

5. Writing skills

Before a student starts to write out the answer to any requirement, it is advisable to stop for a moment and pause to think about the task ahead, as each one is likely to be different. This gives the student an opportunity to 'get into character' and adopt the role of the person assigned to deal with the specific task at hand. At the same time the student should be fully aware of why they are being asked to carry out the task and who it is for.

All answers should be strictly based around each precise requirement. Clearly if the requirement is to "prepare two presentation slides", like Q3 (b) from the 1st Specimen examination then the format is self-evident, but if the requirement is broader like assessing the role of non-executive directors then care must be taken to structure the answer appropriately. A good maxim to follow here would be to "make as many valid points as you can, but using as few words as possible", this way the student is likely to be concise, but not superficial and will produce a more business-like style of answer. The key to success is to provide a breadth of issues, which should come from the number of different points identified, balanced with sufficient, but not excessive depth of discussion. The latter can be achieved by applying syllabus knowledge to the context of the scenario.

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