

Exchanging Ideas and Creativity at SAS

SAS INC., THE BUSINESS ANALYTICS SOFTWARE COMPANY based in Cary, North Carolina, has enjoyed an unbroken record of revenue growth since its founding in 1976. One of the world's largest privately-held companies, SAS is renowned for a corporate culture that has made it a fixture on lists of 'top employers' and 'best places to work'. On March 4, founder, chair and CEO **Jim Goodnight** discussed his company's formula for success in a conversation led by Professor **Richard Florida**, director of the **Martin Prosperity Institute**.

SAS is headquartered in a campus-like setting of landscaped gardens and jogging paths, where an employee can visit a doctor, take a class, visit a child in daycare and even get a haircut without stepping outside of the workplace. The company's unusual culture dates back to its founding. "Even in 1976, we realized that SAS was a different sort of company," says Goodnight. "Everything we produce comes out of the heads and minds of our employees, so we have aimed to create an environment where people feel cared for." Paraphrasing the late **Peter Drucker**, he adds, "You cannot treat a knowledge worker like an industrial worker. You almost have to treat them as volunteers."

The company's transformative vision extends beyond its campus to include the surrounding community. SAS has helped turn Cary into a tech centre along the lines of Silicon Valley, and Goodnight is a major contributor to Cary Academy, a private school that provides its students (from grades six to twelve) with extensive training in information technology. "If we're not careful – and it may be too late – all the engineering and design work will be done in



Dean Roger Martin with Jim Goodnight

India and China, and the U.S. will be left as the low-cost manufacturing centre of the world." The need to grow and innovate is felt strongly in the software industry, and SAS spends nearly a quarter of its revenues on R&D. Most of its ideas for new products come from customers themselves. SAS engages its clients at hundreds of user conferences each year, hosted in each country where it does business. "Our customers are our best marketing tool," says Goodnight. "They know our software, they can tell us what features to add, but best of all, they're the ones with the problems, and the problems we solve produce new products."

According to Goodnight, the value of SAS lies not within the customer or the employee, but in the relationship between the two, and in the resulting exchange of ideas and creativity. For this reason, he is as reluctant to let go of a good worker as he is to lose a valued customer. He despairs of companies that resort to laying-off employees in order to boost stock price, saying that "investors are rewarding companies for bad behaviour."

Because SAS is a private company, it has the luxury of charting its own path through the current economic downturn. "I've never liked the idea of an analyst fresh out of school telling me how to run my business. If Wall Street doesn't know how to run its own business, how is it going to run mine?" – BY STEPHEN WATT

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