

With nearly 10,000 employees in around 400 offices spanning the globe, SAS is the world's largest privately held software company. Yet Jim Goodnight, the company's co-founder and CEO, and Art Cooke, President of SAS International, still find that many people don't know what SAS is or what it does.

So just to be clear, SAS (pronounced "sass") is not a Scandinavian airline. The initials used to stand for "statistical analysis software". However, since the company was first founded in North Carolina nearly 30 years ago, things have moved on and what SAS does now goes way beyond producing software. The term no longer stands for anything, but Goodnight says that the company itself very clearly stands for "business intelligence". And business intelligence, he is keen to make clear, is for

executives in the boardroom, not just for programmers.

SAS software solutions are used at around 40,000 sites around the world, including 96 of the top 100 companies on the Fortune Global 500. The range of applications is staggering.

Take, for example, SAS' involvement in the banking sector. The company provides a sophisticated anti-money laundering solution that can help banks. "There are hundreds of different "scenarios" in which money-laundering occurs," says Goodnight, "so we enable banks to scan hundreds of thousands of records looking for particular patterns." Other applications of SAS software in this sector include helping banks such as HSBC to detect credit card fraud, and improving the way risk is managed.

Then, there is SAS' work in the defence

industry. The company is working with the US armed services on "intrusion detection" – preventing people from gaining access to the armed forces' digital network. "There are people who try to get in very cautiously, very slowly, over a long period of time," Goodnight explains. "Those are the hardest to detect."

In pharmaceuticals, SAS software is used to analyse almost every clinical trial that goes on around the world. SAS is developing a drug development platform that is used to store all the data, the analysis, and the comments from doctors and patients involved in the clinical trials, as well as from researchers, helping companies to prepare to go to the FDA with new drug applications.

SAS software is also used in human genomics – helping to isolate SNPs (pronounced "snips"). These are DNA sequence variations that occur when a single nucleotide in the genome sequence is altered. Although more than 99% of human DNA sequences are the same across the population, variations in DNA sequence can have a major impact on how

humans respond to disease and drugs. This makes SNPs of great value for biomedical research and for developing pharmaceutical products or medical diagnostics.

Retail has been one of the last major sectors to realise the capabilities of SAS' software and is a major growth area for the company. SAS works with major retail customers, such as Home Depot in the US, to create models that help with customer selection for cross-selling, with price optimisation, with merchandise planning – how things should be laid out in stores – and with making sure that local stores get the right products and sizes.

Jim Goodnight's personal passion and the focus of his company's greatest philanthropic efforts, is education. He and his wife, Ann, co-founded Cary Academy in 1996, an independent college preparatory day school for students in grades six to twelve, with the goal of creating a model school for integrating technology into all facets of education. Goodnight, who is a former professor of North Carolina University, has also endowed several



SAS UK headquarters.

professorships at his alma mater.

"Western countries are all falling behind in terms of the number of engineers, scientists, and technology people that we are producing at our universities," warns Cooke, whose remit includes the Asia Pacific region. "Soon, 90 per cent of all engineers and scientists will live in Asia, because we have failed to stimulate our kids into being interested in this area. India and China realised two decades ago that they had a chance to flatten the world out if they educated their people – and that's what they've been doing. Meanwhile, we have been sitting on our heels."

Sitting on its heels is not something SAS can be accused of. The company's private ownership enables it to take a long-term view of business development and to commit a whopping 26 per cent of the company's \$1.53 billion in revenues to R&D each year. Most of this money is currently going to expand its enterprise intelligence platform capabilities, ensuring that SAS solutions remain the best on the market.

So what has made SAS great? Cooke attributes the secret of SAS' success to common-sense rules. "Make sure revenues are greater than expenses. Keep your customers happy. And value your employees, because they are the intellectual capital of your company."

For eight consecutive years, the company has been listed in the top 20 of Fortune's "100 Best Companies to Work for in America". In addition, SAS has been listed by Working Mother as one of the 100 Best Companies for Working Mothers thirteen times and was recent featured as "The Best Place to Work" on the Oprah show. All that, and you get free M&Ms on Wednesdays.

SAS, Goodnight stresses, was one of the first real knowledge companies, with products coming from "between the ears" of highly trained, intelligent people. "Most of what the company does walks out of the front gate every evening," Goodnight says, "and my job is to get them back the next day." ■



Jim Goodnight is CEO of SAS Inc. Art Cooke is President of SAS International.

When knowledge is power

Business intelligence has moved into the boardroom, say Jim Goodnight and Art Cooke of SAS.



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3.5 million

MORE THAN 3.5 MILLION USERS WORLDWIDE.

110

IN 110 DIFFERENT COUNTRIES.

96%

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