



Strategic Management for an Ever-Growing Business

Industry

Agriculture

Business Issue

How to formalize the processes of strategic management, measurement and performance efficiency analysis.

Solution

SAS® Strategic Performance Management

Benefits

SAS contributes to the development and monitoring of the company's strategy by providing the managers with easy access to key performance indicators.

Social responsibility, an impeccable reputation with business partners and compliance with constantly growing market requirements are important to a modern company like Talina, Russia's largest agro-industrial holding company. An analytic approach with SAS® Strategic Performance Management allows managers to monitor key indicators and stay on track with the company's goals.

According to Talina's Chief Financial Officer, Sergey Strelnikov, flexibility was one of the key factors in the organization's search for a performance management system. "We knew we were going to use a balanced scorecard, but we also wanted the ability to incorporate other approaches as well. This is the most strategic system that provides a free choice of methodology," Strelnikov says.

The financial factor, too, played an important role in choosing SAS: "We have calculated that together with support and development, the system will cost us about RUB 300,000 [about US\$11,800] per month. This is quite affordable for any big Russian company; the amount is close to the salary of the strategy director. However, it is more profitable to use such software than to hire an employee. And nothing can go wrong – the system teaches discipline; it becomes an instrument of continuous education for top managers," reasons Strelnikov. "Besides, we are launching this project because we are confident in the flexibility of this instrument: If something is missing we can always make changes."

The strategic management system allows the managers of the holding company to focus on the main areas of operations, to use modern analytic tools and to anticipate all difficulties and changes. SAS Strategic Performance Management provides detailed answers to important questions:

- Are our actions in line with our strategy?
- What specific measures are required to implement each strategic task?
- How are we implementing the strategy?

The system allows managers to monitor key indicators on a real-time basis. Switching on their computers in the morning, the managers, no matter where they are located at the moment, can see their key indicators – their faults and how much money from their bonus funds they may lose. "If we find out that something important has not been done two months after it should have been done, then it's usually too late or too expensive to correct the mistakes. The situation should be monitored on a real-time basis," says Strelnikov.

The strategic management system at Talina is closely linked to the filing system. All documents, from structured

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Sergey Strelnikov
Chief Financial Officer,
Talina Agro-Industrial Holding Company



instructions to informal discussions, are stored in the electronic filing system. Managers have access to these documents at any time. “There is no place for such excuses as ‘I haven’t been told,’ ‘I haven’t received these documents’ and ‘I haven’t been informed;’ these reasons are simply not considered by the general director. If the information is in the system, then the user is considered to be informed.”

Concurrently with the implementation of the strategic management system, Talina is developing a new system for top-management motivation that is closely linked to the SAS project. Motivation schemes are based on the indicators provided by the strategic management system. “These motivation schemes should reflect not only the current

state of our company but also our objectives. It means that the current level of motivation is above the market average as it focuses on the future,” says Strelnikov.

Focus on development is a distinctive feature of Talina. Its mission reads as follows: “We accept change with admiration ... We welcome progress.” The management knows very well where the company should go, and SAS provides great support in this. Talina’s leaders intend to continue the development of partner relationships with SAS. In fact, the management of the company plans to implement SAS Activity-Based Management. “We are ready to start serious restructuring, including staff appointments and organizational structure changes. I think that SAS is very suitable for this purpose,” says Strelnikov.

About Talina

Talina started in 1998 when the CJSC meat processing plant “Atyashevsky” was created. From this moment on the business has developed dynamically, involving new and promising enterprises. The holding company consists of 15 agricultural and meat processing companies in eight regions of Russia, with more than 5,000 employees.



**THE
POWER
TO KNOW.**

SAS Institute Inc. World Headquarters +1 919 677 8000

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