

Alone in the Employees' Paradise

Jim Goodnight has shaped his software company SAS into one of the most popular American employers. The Corona crisis should not question this.

When Jim Goodnight looks out of his office's window these days, he sees an almost empty parking lot. This morning, he counted 15 cars, he says in an interview with the F.A.Z. Goodnight heads the American software specialist SAS Institute, which is in the midst of the corona crisis, just like many other companies. Its office buildings are largely deserted, and most of the nearly 14,000 employees work from home. Goodnight, who lives less than a kilometer from the SAS headquarters in Cary, North Carolina, is one of the few people who continue to come to their office. And that means the workforce is currently unable to take advantage of many of the legendary amenities the company offers.

SAS is known for pampering its employees and regularly ranks high on top employers lists. The 24-building facility includes a free clinic for employees and their families, half a dozen gourmet canteens, a daycare center for children, a fitness center with swimming pool and basketball courts, a hairdresser, nail salon, and massage services. SAS offered these services before they became the norm among Silicon Valley technology giants like Google and Facebook. But now the canteens and all the other facilities that give the SAS headquarters its special character are temporarily closed. Only a few services such as fitness courses are maintained in virtual form.

While the staff now have to do without various services, Goodnight is acting out

his ambition to be a caring boss in a different way. Despite the Corona crisis, he has promised not to reduce staff. This even applies to the employees in the closed canteens who are not working at the moment. "It would be hard to lay these people off now because they can't find another job at the moment." SAS can also afford to be generous: "We have enough cash to get by." SAS, of course, is also suffering badly in its business. Goodnight says that by the end of July, sales had fallen by seven percent compared to the previous year. This is a major setback for the company, which prides itself on having grown steadily since its founding in 1976. Goodnight says he has allowed some of his customers to defer payments. For example airlines, to which he has granted time until December, and he may extend this period into next year. However, according to him, the decline in sales will be cushioned by the fact that costs fall by a similar amount. For example, SAS has saved \$100 million in travel expenses since the beginning of the year alone. These cost reductions could help the company to remain profitable, or at least remain close to break-even. It has never reported losses since its foundation. SAS is considered to be the largest unlisted software company in the world. Goodnight has always refused an IPO, as well as takeover bids - of which, according to him, there have been many. Beyond its turnover, which is estimated at 3.1 billion dollars for 2019, the company hardly



Jim Goodnight
Photo: SAS

publishes any business figures. SAS specializes in software for data analysis and is thus moving into a growth area in view of the increasing amount of data that is generated in companies. The programs work with statistical methods, hence the name, which is an abbreviation for "Statistical Analysis System". Goodnight holds a doctorate in statistics, and SAS was created as a kind of spin-off from the North Carolina State University, where he studied and later worked.

Together with colleagues, he led a project there to analyze agricultural data, and the software developed in the process was licensed to companies in various industries. The software was so successful that Goodnight and his partners felt encouraged to turn it into a business and leave the university. Goodnight became chairman of the board and remained the outstanding figure in the company throughout the years; still holding a majority stake today. He is now 77 years old and stresses that he still likes being CEO and is not thinking of resigning. However, a potential successor would be available. This is a German: Oliver Schabenberger, 55 years old, born near Pforzheim, in the company since 2002 and, like Goodnight, a statistician. Since

the beginning of 2018, he has been the number two in the company as Chief Operating Officer and, as Goodnight himself phrased it, he is a promising candidate to take over the position of Chief Executive Officer one day.

For some time now, fraud prevention has been one of SAS' most important businesses. The company helps banks, for example, to find credit card fraudsters early on, or governments to uncover social welfare fraud. SAS software is currently also being used for pandemic purposes. The pharmaceutical company Pfizer, for example, is using it to analyze data from its clinical trials for a potential vaccine. In Germany, SAS has developed a database system for the Robert Koch Institute to record the availability of intensive care beds and ventilators in local hospitals. Another of the company's products is used for so-called "contact tracing", i.e. it is intended to help in tracing infection chains.

Goodnight sees cause for optimism in the middle of the pandemic. He believes that by the end of this year there will "definitely" be a vaccine against the virus, and that this will be the starting point for an economic recovery. But he gives his government a damning testimony about its

response to the crisis: "What response? I haven't seen one." According to him, this started with the fact that America has not been able to provide enough equipment to protect itself against the virus without relying on China.

"European countries have done much better than us, I think that's obvious to everyone." Goodnight is also critical of his government's emergency aid, saying, for example, that payments to Americans are too little adjusted to income. And the pandemic has come at a time where the country has already been struggling with enormous debt, partly because of the tax reform implemented under Donald Trump. This debt would have to be paid off at some point, and Goodnight is preparing for the fact that substantial tax increases for the Americans are to be expected if Trump will be defeated by his alleged challenger Joe Biden in the November elections. "Then it will be like Germany, and we will pay all our money to the government."

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Frankfurter Allgemeine Zeitung
GmbH, Frankfurt. Provided by the
Frankfurter Allgemeine Archiv