



DMITRY KONOV'S RULES OF SUCCESSFUL MANAGEMENT

Dmitry Konov shares his experience in effective management.

The art of management is an essential component of and the foundation for a successful business. Every modern leader wants to know and understand the core principles of an effective management model. Dmitry Konov, Chairman of SIBUR Holding's Management Board, shares his experience. At the talk show hosted by Andrey Sharonov, President of Skolkovo Moscow School of Management, Dmitry spoke about the five basic rules of a successful manager that he has been following for 15 years.

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School of life

Dmitry joined SIBUR's Management Board at the age of 36. At that time, the Company employed some 90,000 people. It is hard to believe today, but back then, in 2006, SIBUR was perceived by the shareholders as a troubled asset rather than a profitable business. Now, looking back at his journey, Dmitry believes that having a young manager poses certain risks for a company, and says that he personally would never have entrusted the management to someone that short in the tooth. This is a matter of maturity, not professional skills. The most important thing is to build an effective communication model, which requires the ability to listen and understand, to talk to people and convey your point of view – these are any leader's must-haves, all of which come only with age. Thus, the key management tool turns out to be not just a set of theoretical notions, but life experience gained at each stage of personal development. One must be ready to take up any challenge and treat it as a lesson on the way to becoming an accomplished professional. "School, army, university and other life-changing experiences make you stronger and, more importantly, provide you with the precious knowledge of the world, people, and nuances of communication that no business course, even the most advanced one, will give," Dmitry Konov says.



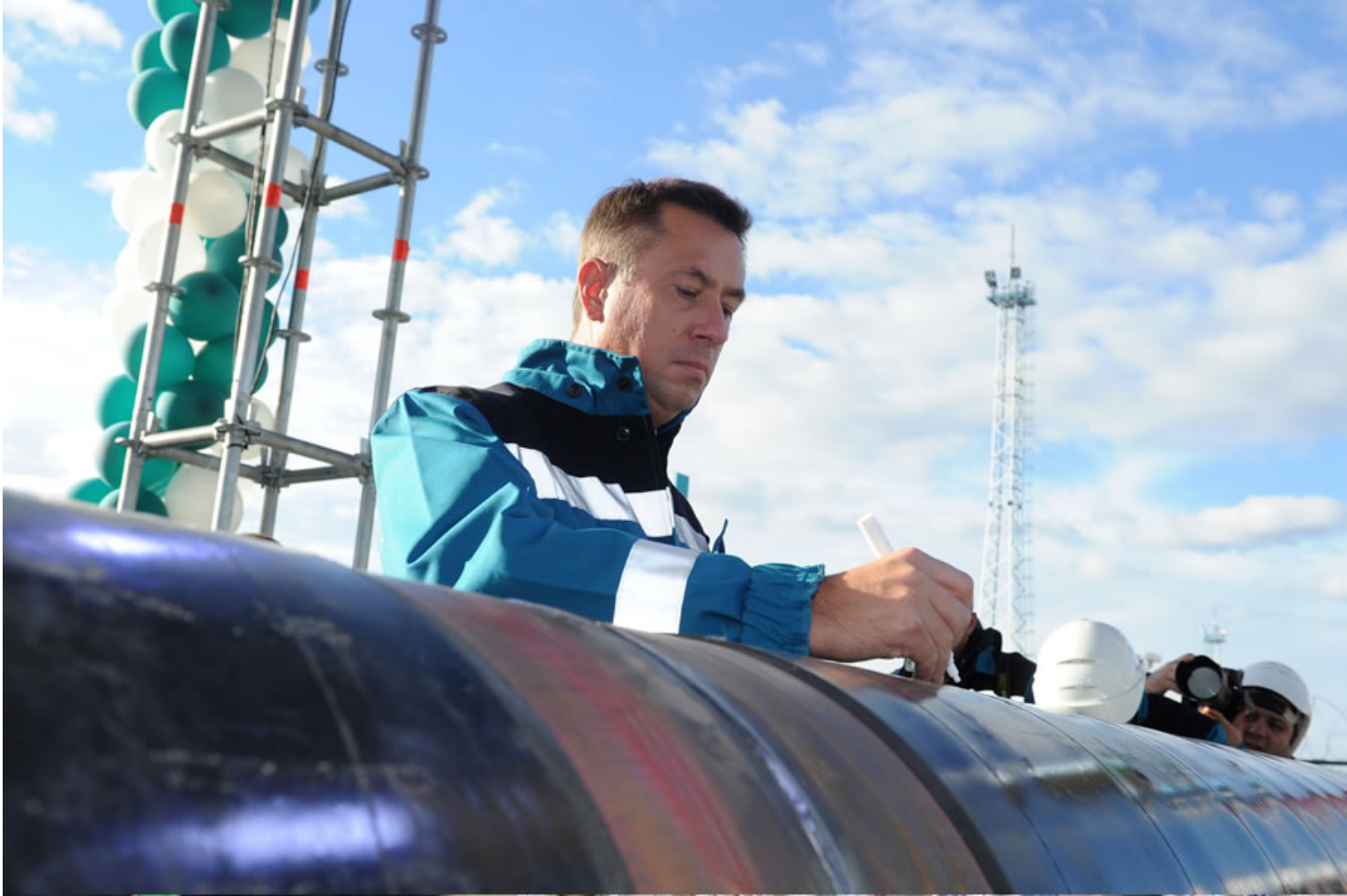
Dmitry Konov at the Gas of Russia international forum, 2008.

IT IS IMPORTANT NOT TO BE AFRAID OF CHALLENGES BUT TO VIEW THEM AS LESSONS ON THE WAY TO BECOMING AN ACCOMPLISHED PROFESSIONAL.

A dialogue of equals

SIBUR had no founder; rather it evolved through a dialogue between the shareholders and the management in a way similar to western companies. High degree of employee engagement, clear targets, effective feedback, and lack of a strict hierarchy underpinned a flexible and dynamic structure that characterised the Company's growth. These principles enable SIBUR to be quickly adaptable to new industry challenges and current market demands despite the complex multi-divisional structure of a diversified holding company. You would be hard pressed to find such flexibility and responsiveness at another large Russian company, but it is exactly these features that allow SIBUR to lead the industry and set new petrochemical trends rather than just respond to them.

Today, Dmitry Konov has a number of different roles; however, as he himself admits, this does not make him irreplaceable. Employees' active involvement and deep understanding of the development principles have made them into mature, experienced experts ready for a management role.



The launch of the Vyngapurovsky GPP in West Siberia, 2012.

A LEADER'S MAIN RESOURCE IS TIME, AND IT NEEDS TO BE PROPERLY MANAGED IN ORDER TO WORK FOR AND NOT AGAINST THE COMPANY.

Brilliant strategy

"Many of the situations I'm involved in resemble a big chess game," says Dmitry. "The 'come, convince and go' scenario does not work here. You have to prepare arguments, find allies, explain your position, listen to the opposite opinion, and take stock of your strengths and weaknesses." It is important to keep an eye on the entire system at all times: make timely adjustments, eliminate defects, chart development trends and ensure effective performance of the team in this context. In case of failure, you should immediately analyse its cause and correct the employees' way of doing things to prevent a similar situation in the future.

Attention to all nuances is only half the battle. The second half stems from the initiative and creativity of the manager, including the ability to find outside-the-box business solutions and a responsible approach to team building. "You need to be able to spot a person's strengths and weaknesses and set up a team in a way for them to complement and amplify each other with their experience and skills," says Dmitry.



Russian President Vladimir Putin's visit to the Nizhny Novgorod Region, 2014.

THE APPROACH BASED ON CONTINUOUS IMPROVEMENT IS THE MOST EFFECTIVE.

Time to act

A leader's main resource is time, and it needs to be properly managed in order to work for and not against the company. Ideally, any downtime must be eliminated. There needs to be a constant search for new approaches, perspectives and development opportunities. Dmitry believes that any kind of stagnation or loss of enthusiasm negatively affect the state of business and the sentiment within the team. When prospects are unclear and motivation is sapped, the quality of work suffers.

"What's inspiring to me and my colleagues is that every three–four years SIBUR reinvents itself as a different company with different objectives," says Dmitry Konov. "We are constantly moving forward. In my 15 years at the Company, I've witnessed SIBUR go through four different states with different approaches to development. We have the power to invent, design and implement. If you lose the thrill of your work, find a new course for development. It will benefit both you and the business."



Dmitry Konov and Gosha Kutsenko, founder of the Shag Vmeste charity foundation, at an All Stars IV charity basketball game, 2016.

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Changes for the better

Another important component of a successful business is the personal qualities of those at the helm and their commitment to making positive changes happen every day for the sake of the common goal. “To this end,” says Dmitry, “it is important to constantly improve, set interesting and exciting tasks, and develop new professional skills to perform them.” These recommendations are so simple and obvious that many managers tend to ignore them. Yet it is the approach rooted in continuous improvement that is the most effective. This improvement should cover all areas: business processes, professional competencies and personal qualities of employees, management culture, engagement level, and communication efficiency. Achieving this requires a feedback system, which will help to provide employees with guidance in a clear and timely manner, point to things that require adjustment, and receive accurate information on the functioning of a particular section.



Russian Prime Minister Dmitry Medvedev and Dmitry Konov at the Development Award ceremony, 2019.

"I am constantly learning from people I come in contact with, these interactions have really become my main source of new knowledge. Any corporate entity represents a fragmented conglomeration of knowledge, information, experience and skills, of which no single person possesses the perfect set. That is why it is integral to set up work in a way that will enable efficient and effective communication and feedback among people, as well as a shared sense of purpose."

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